App. F. IX-4

Previous References

1939.
(JHC)

File No. 82-3

Serial Nos. /

Letter References.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. One

205

Part B for Sept. 39.

SUBJECT.

Schedule for the manufacture of Medicinal Drugs

WD 0418—GPB—22,500—29-8-36

8/9/39

OFFICE OF THE SECRETARY TO GOVERNMENT RECORD BRANCH COUNCIL
2 OCT. 1937
NO. 3193

2246
25 OCT. 1937
DEVELOPMENT BRANCH

DEWAN'S MINUTE.

FILE No. 193 .

I attach a most interesting & helpful letter from Colonel Chopra in reply to mine. A prospectus may be drawn up in consultation with him & Mr Ambalal Sarabhai —

As regards the starting of a School of Tropical Medicine in Bangalore, I am writing to Col Chopra & ask him that the Govt. of Mysore feel inclined to associate itself with the proposal & are prepared to do all that lies in their power to help in the scheme.

DEWAN'S OFFICE
OCT 1937
DEVELOPMENT SECRETARY.
28.10.1937
TO GOVERNMENT OF MYSORE.

Dr
23-10-37

Bro. Secy)

for perusal in the first instance
Secretary

28.10.37

25/10/37

2086
26.10.37

26.10.37

To the Dewan's Office

Graciously pleased to direct that a copy of the letter of 8.10.37 referred to in D.O. No. 2157 dated 28.10.37 be sent to the Development Secretary.

28.10.37

27/10

27/10

28-10-37

DE... OFFICE
18 NOV. 1937
No. 2114

DEWAN'S MINUTE.

FILE No. 193 .

Manufacture of Medicinal Drugs.

May I know what further action has been taken in the matter?

Dy
17-11-37

(Bro. Secy)

DEWAN'S MINUTE.

FILE No. 193

Manufacture of Medicinal drugs.
When will the scheme be ready?
I want it to be put through as soon as possible.

MS
18-12-37

2474

Dev. Secy

I hope to submit the draft for consideration on Monday the 27th inst. at the latest.

Dewan

MW
22.12.37.

MS
22-12-37

MW
22.12.

Serial No.

4322

The exploration of Mysore Medicinal Products.

The proposals have been tentatively drawn up in the form of a draft Prospectus. For perusal and instructions

After approval a draft reply will be put up to Col. Chopra and the file submitted through the Secretary Member.

One important point for consideration is that the promoter company may like to take over the new Sandal Oil Building also. They will of course pay the cost and a new building will have then constructed.

I have suggested that Govt would subscribe 2.7. the capital. Here is a point for consideration whether this may be limited to 1.7. or the actual value of the properties to be handed over. If the Oil buildings are included, the value may be about Rs 6. lacs.

Dewan

27.12.37.

10% is mentioned as Govt's Contribution towards Share capital for the present.

NOTE.—Contn. Sheet.

(Issued letter to Col. Chopra forwarding rough prospectus and inviting him to B'lore for a discussion of the scheme.)

Hm 5/1/38

WD 03594—GPB—30,000—18-7-35

27-12-37

N O T E.

It was originally proposed to make the Mysore Medicinal Products a limited Company with a capital of 10 lakhs. It has been subsequently thought to increase the capital to 25 lakhs of which 12½ lakhs would be earmarked for capital expenditure and the balance of 12½ lakhs for working expenses. The annual sales are estimated at 30 lakhs.

This figure is arrived at on the following basis.

Mysore State which has a population of about 7 millions imports annually medicines and drugs to the value of 30 lakhs. These imports do not include the sales from local production.

On the basis of these figures, it is quite safe to estimate the consumption of medicines and drugs at over 15 crores in India which has a population of about 350 millions. As such, it will be seen an expectation of sales of 30 lakhs is by no means a high figure with the good resources that we command.

Working back from the sales figure of Rs.30 lakhs, it is found that about 10 lakhs of rupees would be required for raw materials, power, steam, etc., and another 10 lakhs for depreciation, duty on alcohol, factory staff, labour, etc., and the remaining 10 lakhs for trade, overhead charges, profits, etc.

From the working of the Mysore Medicinal Products, it is found that about 2 lakhs of

of rupees worth of raw materials are available in Mysore State including alcohol. Value of raw materials that will have to be imported from outside Mysore from other parts of India works out to about Rs.3 lakhs and that of raw materials to be imported from foreign countries Rs.5 lakhs.

It is also one of the objects of the new Company to promote the cultivation of crude drugs required for the manufacture of medincines in which case the import of raw materials from abread will go down on a sliding scale.

The prospects of this concern are very bright indeed. It is very well-known that medical relief in India at present is quite inadequate to meet the requirements of the existing and growing population. As time advances the demand for medicines and drugs is sure to grow. Further a considerable portion of medicine and drug trade is now being met by spurious and adulterated preparations; these will have to go and will have to be replaced by standard preparations. The matter is already engaging the attention of several governments concerned, and it is expected that within a few years, an Act to control the manufacture and sale of spurious and adulterated preparations will be passed, in which case standard medical preparations will have a very good chance of building up business. The time is therefore quite opportune to start a concern for the manufacture of standard medicines on a large scale.

7091 Manufacture of medicinal Drugs.

General and Revenue Secretariat | G.R. File No. 82 of 1939. | [App. F. III—2

Serial No.

OFFICE OF THE CHAIRMAN
U.O.NO.232
Camp: Mysore
Dated 2-6-39
M. I. & S. W. ETC., BANGALORE.

The necessity for converting the Pharmaceutical Section of the I & T. Lab.y into a Joint Stock Concern so as to give a ~~part~~ Co an opportunity to the Medical Profession to take shares in it & have a proprietary interest in advancing the use of its products was pressed by Doctors S. Subbaraw M.S. K. Narayana Rao at successive meetings of the Committee. The Committee felt that this may be again brought to the notice of the Govt. They felt also that a ~~Co~~ Scheme with a capital of Rs 10 lakhs would do and that in order to enlist public confidence in its products and in order that the Govt may retain an effective & ~~predominant~~ voice in the management of these products of national importance, the Govt may retain 60% of the Shares as in the Mysore Sugar Company.

A revised prospectus and revised working data of Capital & Revenue are submitted for the consideration of the Govt, in consultation with the two Doctors & the Dir S.O.B & the Chief Chemist. If the lines are generally approved, ~~a proposal~~ the Committee will ~~be~~ proposals for a provisional board will be submitted & the draft Memorandum of Assoc.n etc prepared & submitted for sanction by the Government.

GEN. & REVENUE SECRETARIAT
7091
JUNE 1939
BRANCH
RECORD SECTION OF COUNCIL
1939
A 1853.....

Note—Contn. Sheet.

Yours sincerely
with compliments
2-6-39

WD 0284—GPB—30,000—13-8-37

For remarks
J.I Sec WC

4.6.39.

The proposal is to convert the Pharmaceutical section of the Industrial and Testing Laboratory into a joint stock concern, with a capital of Rs 10 lakhs so as to give an opportunity to the Medical profession to take shares in it and to have a proprietary interest in advancing the use of its products. In the case of a Joint Stock company, the powers of the share holders in respect of the internal management of the Company are of a very restricted character, and I do not quite understand how by merely allowing shares to be taken by some of the doctors, the use of our manufactured medicinal products in actual practice can be expected to be advanced. The success of the Pharmaceutical section, whether it is run by Government as at present or as a Joint Stock concern, depends upon several ~~factors~~ other important factors, including the cost of manufacture of really good medicines at rates comparatively favourable with the selling prices of similar medicines manufactured by other firms both in India and outside India and long established in actual use.

Mr. Ramanathan suggests that Government may retain 60 per cent of the shares as in the case of the Mysore Sugar Company. It has already been decided by Government that 10% may be the Government

Serial No.

subscription for the present (against 20% suggested by the then Development Secretary). The Sugar Company is intended to consume the sugar cane cultivated in the Irwin canal area and there was justification for taking up 60% of the capital as the concern was intended to help the ryots in that area to get the maximum return from the crop and to pay to Government the revenue and capital receipts due on account of the very large amount invested from borrowed funds. So far as the Pharmaceutical section is concerned, the raw materials have mostly to be obtained abroad and there is neither justification nor need to invest more than the usual 10% (fixed in respect of other concerns) even if Government consider that the concern should necessarily be converted into a Joint Stock company, though I feel that merely by this conversion we cannot expect to find better sales and larger use for its products.

The present time seems also to be quite inopportune to go to the money market for floatation of shares and past experience also indicated that the expected response from our local public is not always forthcoming.

As regards the details of the scheme, I wish to state that the realisation of the anticipated net

WD 0544—GPB—30,000—2-9-83

~~profit~~profit profit of 9¾% is largely conditioned by (1) our being able to manage with the estimated capital of Rs 10 lakhs, (2) the possibility of manufacturing really good medicines and realising the estimated sale to the extent of about Rs 8½ lakhs and (3) the possibility of realising a net profit of Rs 97,500 even if sales to this large extent materialise. The details for the estimated capital and revenue expenditure and estimated realisations now made available are not sufficient. Greater details are necessary and they have to be scrutinized carefully in consultation with some experts in order to guard against possible worseness in fact against the anticipated results which was experienced in the case of some of the concerns recently floated.

Mr. S.G.Sastry, in his letter dated 5/6th May 1939 has mentioned some of the existing ~~and~~ firms and institutions outside Mysore dealing with the manufacture of medicines and also some of the firms likely to be promoted shortly. He also states that when the impending legislation for the control of the manufacture and sale of drugs and medicines comes into force in British India, a number of factories which are now manufacturing spurious and adulterated products will go out of existance and that will be our opportunity. It seems desirable to defer the question of floating a joint stock concern, till the contemplated legislation

7091 958/38

Manufacture of medicinal drugs.

Serial No.

OFFICE OF THE FIRST MEETING OF COUNCIL
JUL 29 1939
No. 962

actually comes into force in British India and the effect of the legislation on the industry is known. In the meanwhile, we may go on developing the work in the Pharmaceutical section of the Industrial and Testing Laboratory, gradually and steadily.

When the Joint stock concern is floated and the present pharmaceutical concern run by Government is transferred to it, care has to be taken to see that Government get back the value of the Fixed and Floating assets transferred to the concern, in full, without any loss, even though no amount may be charged to the concern on account of Goodwill. For this purpose, a proper valuation of these assets by some experts outside those who are directly or indirectly interested in the Joint stock concern has to be arranged for, in order to ensure that the interests of Government are adequately safeguarded.

I am sceptical that merely by doctors being shareholders, the products of this concern will necessarily find an expanding output for curative purposes not necessarily within the State but also outside where alone the larger part of the turn-over can be expected to be consumed.

FINANCIAL SECRETARY
U.O.No.Fi: 311
27. JUL. 1939
BANGALORE.

SECY. DEV. DEPT.
28. JUL. 1939

1st Mr Thomas Dewsbury

27.7.39

28/7

NOTE—Contn. Sheet.

WD 0544—GPE—30,000—2-9-83

Manufacture of medicinal drugs

312

2-46-36.

File No. 7091 82 of 1939

General and Revenue Secretariat

I am inclined generally to agree with the Finance. Our experience does not justify the belief that the management of a concern run by a joint stock company will be necessarily more efficient or more enterprising than that of one directly controlled by Govt. This is a highly competitive industry and its development must be cautious and gradual.

In any case, considering the conditions of the money market, it would be desirable to defer the flotation of a company for the purpose of taking over this concern until more urgent schemes (e.g. the match factory and tannery) are satisfactorily completed

MWL
31/7/39

I agree. Dewan) may kindly see.

AD
31.7.39

MWL
1-8-39

AD
2.8.39

Secy. WC

GO
2/8/39

If approved, the file will be sent to the Govt Dir. Genl. Concerns (Chairman of the Industrial Advisory Committee) for perusal & orders

Yes. I

2/8/39

SECY. DEV. DEPT.
2. AUG. 1939
GOVT OF MYSORE

SECRETARIAT
883

Conversion of the PTC into a joint stock company

7091

General and Revenue Secretariat — File No. 82 of 1939. [App. F. III–2

Serial No.	
	Forwarded, with Compliments to the Govt. Dir. Agl. Concerns, for favour of perusal & orders regd. return.
	By Order, Asstt. Secy. to Govt. of Mysore Agl. Dept.
Govt. no. 44-39 dt. 10-8-39	7-8-1939
	Returned with Compliments, after perusal.
	Director of Agriculture 3/8
	Dy Secy
	9/8/39
	9/8/39

GEN. & REVENUE SECT. DEVELOPMENT BRANCH

NOTE—Contn. Sheet.

File No. of 193 .

General and Revenue Secretariat.

Serial No.

CALCUTTA SCHOOL OF TROPICAL MEDICINE
CENTRAL AVENUE
CALCUTTA

TELE. ADDRESS:
"TROPMED"

THE 20th October, 1937.

Private and Personal.

My dear Sir Mirza,

I am very grateful to you for your kind letter of the 8th October. It is indeed a source of great pleasure for me to know that you are so keenly interested in this project. I feel certain that if worked on proper lines, not only will it be profitable to those who invest money in it, but it will also help towards relieving the sufferings of large masses of humanity in India. I know from personal experience what small percentage of the population get even the ordinary essential medicines, because they can not afford to pay for them. This is due to the fact that most of the medicinal drugs at present available are either imported or manufactured from imported materials. If we could utilise our indigenous resources to the fullest extent, I feel certain that, in time, we could not only bring down the price of most of the essential drugs to the level of the economic condition of the people, but could also manufacture every special medicinal preparation required, not hitherto manufactured in India.

2) I have studied the indigenous resources of medicinal drugs for the past 16 years and lately I have been trying to apply the knowledge gained, towards the practical side of manufacture. I learnt a lot about this aspect during my four months tour in Europe this summer. I visited a number of large factories and established liason with one or two big firms of manufacturers who will help us in the development of this project. Since my return, I have been looking for experts in our own country who could work for us in case this scheme matures. I have already got a botanist with extensive experience of Indian medicinal plants and I am now in correspondence with a pharmaceutical chemist with large experience of manufacture. I have a pharmacologist under training. I can confidently hope to undertake the organisation of the technical side of the scheme mostly with Indian staff. We may have to import one or two experts from Europe, for a time, for proper lay out of the factory, for setting up the machinery and for making special preparations and even this has ~~also~~ been arranged.

3) As regards the development of the financial side of the scheme, I am afraid, I have no knowledge. This will be done by men like yourself and Mr. Ambalal Sarabhai. I am keeping him in touch and if you could write to him I am sure it will facilitate matters. It will take some time to work out the details of the project, but according to a rough estimate I have prepared, to work on the scale we desire, we will require a capital of about 25 to 30 lacs during

the first 10 years:

1. Cost of land (100 to 150 acres), buildings etc. Rs.700,000
2. Cost of machinery and setting up of other equipments. ... Rs.800,000
3. Working capital. Rs.1500,000

If it is desired to start certain accessary factories such as those for producing alcohol or production of glass of good quality for making containers and laboratory apparatus, extra capital will be required.

4) With regard to my joining, I gave the approximate time as winter of 1938-39, firstly because I thought that it will probably not be possible to start work before then. It will take at least a year if not more before capital is obtained, buildings are built and machinery is ordered and set up. During this period, my whole-time services will probably not be required. Secondly, I have taken up certain research problems on behalf of the Indian Research Fund Association and the Imperial Council of Agricultural Research which I could complete by then.

5) And thirdly, there are personal considerations. My total emoluments in my present appointment amount to Rs.3,700/- per month. My three sons are at present being educated in England, and I can not afford to reduce my income till next year when the two boys come back. I say this because I do not expect such high emoluments when I take up work in connection with this project. If, however, it is considered necessary for me to join earlier I shall certainly consider it

6) I hope you will not mind my writing to you about another project in which perhaps you might be interested and be a benefactor of India. We in this country are very much behind other civilised countries so far as medical research is concerned. While other countries realise the importance of this nation building subject and are spending large sums of money on it, in a large country like India only a few odd lacs of rupees are spent for this purpose. The School of Tropical Medicine is the only research and post-graduate institution in existence and it has proved that Indian workers are second to none in the matter of their capacity for carrying out research work of a high standard. In the hospital attached to the School people come from distant parts of India for investigation and treatment. There is great need for a similar institution in the South and Bangalore with its existing facilities and research atmosphere created by the Science Institute would be an ideal place. You have already got a large well-equipped hospital there which could form a nucleus and at less than 1/4 the cost of the School of Tropical Medicine at Calcutta a similar institution could be set up and run. What a fine thing such an institution would be for the Mysore State and for the Mysore

TELE. ADDRESS:
"TROPMED"

CALCUTTA SCHOOL OF TROPICAL MEDICINE
CENTRAL AVENUE
CALCUTTA

THE.....193....

University. I can work out the scheme for you if you are interested in it.

With apologies for writing such a long letter

Yours sincerely,

U. N. Brahmachari

D.O. No.C. 284

Mysore,
8th October 1937.

My dear Colonel,

Many thanks for your welcome letter of October 4, with reference to the question of starting the manufacture of medicinal drugs in Bangalore. I am answering it at once. Your letter makes it such an easy and pleasant task to do so.

The object is as stated in the second paragraph of your letter.

We should be very glad to allow - to use your own words - the flotation of a company such as has been done in the case of heavy chemicals.

As regards an accessory factory in the North, it seems to me necessary and desirable to have one there, but this is only a detail which the main company will be able to decide for itself when it comes into existence.

There will be no difficulty at all in exporting our products into British India. Mysore has no customs barriers and British India has none against us. We are in exactly the same position as a British Indian Province in this respect.

Surely, you are not going to wait till the winter of 1938-39 to start the venture. All going well, I am anxious to see it launched, with your valuable assistance and guidance, within the next four to six months.

I am sure you would find the climate of Bangalore much more conducive to book-writing than that of Calcutta. So, don't, please, let it come in the way of starting the factory as early as we possibly can. Do let me have a line in reply and if necessary, I will be glad to send the Secretary to Government to discuss the details with you in Calcutta and take further steps in the matter.

With many thanks again for your letter,

Yours sincerely,

Sd. MIRZA M. ISMAIL.

Colonel R.N. Chopra, C.I.E., K.H.P., I.M.S.,
Officiating Director, School of Tropical Medicine,
Central Avenue, Calcutta.

"COPY"

Mr. M. Venkatanarappa, B.A.,
Secretary to Government,
Development Department.

GENERAL AND REVENUE SECRETARIAT,

Dated Bangalore,..29th...October...1937.

D 3274.

29.10.37

my dear Mr Shorling,

will you kindly go through this file?
I shall be glad to speak to you about the further action to be taken whenever you find it convenient
would some time tomorrow suit you?

yours sincerely,

Venkatanarappa

Private & Confidential.

CALCUTTA SCHOOL OF TROPICAL MEDICINE
CENTRAL AVENUE
CALCUTTA

TELE ADDRESS: "TROPMED"

DEWAN'S OFFICE
22 NOV. 1937
No. 24671

THE 17th November 1937

My dear Sir Mirza,

Thank you very much for your kind letter of 23rd October. I did not reply it earlier as I saw in the papers that you were on a visit to Northern India.

I am indeed very greatly encouraged by the keen interest you are taking in the question of development of drug industry and it is a source of great pleasure to me to know that the scheme of a post-graduate and research institution appeals to you. I am glad you are getting a rough prospectus drawn up by your people there. I feel certain that will be very helpful to me in working out the details of my scheme.

With regard to your suggestion of drawing up prospectus of the technical side of the probject I have that already in hand. Unfortunately I am very busy just now in connection with the All India Research Workers Conference which meets in Delhi in the first week of December. After that there is the Jubilee session of the Indian Science Congress in Calcutta in the first week of January. As I am president of the section of Physiology I have a lot of work to do. I hope that soon after this is over I shall be able to let you have a draft of the scheme.

Thanking you again very much for so promptly replying my letters and for the great interest you are taking,

Yours sincerely,

U. N. Chopra

D.O. No. 119/38. Sm. + Blank Advertisement.

5th January 8

(Issued)

Dear Sir,

With reference to correspondence ending with your letter dated 17th November 1937 to the Dewan, I am directed to forward herewith for your consideration a rough prospectus prepared here for the company to be floated for the growth and preparation of indigenous drugs and the manufacture of pharmaceuticals on a large scale.

It will be a great convenience if you could arrange to visit Bangalore at an early date when the scheme could be discussed. But if this is not possible for any reason, Government will be prepared to send the Chemist in charge of the present pharmaceutical plant to discuss the details with you and elaborate final proposals.

Yours sincerely,

Colonel R.N. Chopra, C.I.E., K.H.P., I.M.S.,
Officiating Director, School of Tropical Medicine,
Central Avenue, Calcutta.

(Issued on the subject of Secy.) Copy w.c. to (1) the Secretary Surgeon (2) Director

11/2/38

S.G. Sastry, Esq., B.A., M.Sc., (Lond.),
Director.

3617

GOVERNMENT OF MYSORE

ADDRESS FOR TELEGRAMS:
SANDAL
MYSORE
CODE USED: "BENTLEY'S"

Office of the Director,
SANDALWOOD OIL FACTORY,

Mysore, 7th January 1938

No. 1/37-38
Enc.

IMMEDIATE.

9 TC 201-37-1

Dear Mr. Venkatanaranappa,

I beg to inform you that the Advisory Committee of the Laboratory held a special meeting on January 2nd, to consider the question of converting the existing Government Institution to a Joint Stock Company, with an authorised capital of twenty-five lakhs of rupees, of which 12½ lakhs would be the issued capital. The Committee is of opinion that the time has arrived to float this Joint Stock Company with the help of Government and also by taking over the present Laboratory, the Government Serum Institute and the Government Medical Stores. A draft prospectus considered and approved by the Committee is also submitted herewith for the information of Government. I also enclose herewith a statement giving the value of medicinal - products imported into India for the last three or four years.

I shall be glad to hear from you if you want any further information.

Yours sincerely,

S. G. Sastry

M. Venkatanaranappa, Esq., B.A.,
Development Secretary to the
Government of Mysore, Bangalore.

IMPORTS OF DRUGS AND MEDICINES INTO INDIA.

		Quantity.			Value.		
		34-35	35-36	36-37	34-35	35-36	36-37
					Rs.	Rs.	Rs.
1. Proprietary and Patent medicines.		-	-	-	39,26,150	64,20,669	67,95,484
2. Quinine salts.	lbs.	1,07,628	1,03,610	98,693	25,89,966	26,17,842	23,13,011
3. Saccharine.	"	35,418	91,141	23,241	2,42,447	3,81,548	73,782
4. Other sorts.		-	-	-	99,70,121	90,71,493	90,67,147
		Camphor and Asafoetida are not considered.					
5. Cocaine.	ozs.	8,326	1115	752	29,336	27,318	21,188
6. Codliver Oil.	lbs.	99,106	1,06,431	1,96,351	45,349	45,435	85,704
7. Morphia.	ozs.	827	789	587	27,121	23,931	18,540
8. Preparations of opium and Morphia.		-	-	-	92,650	1,21,880	1,62,423
9. Spirit present in drugs.	glns.	1,19,262	1,30,654	1,30,944	36,51,077	38,34,246	37,95,967

Proceedings of the Meeting of the Advisory Committee of the Pharmaceutical Section of the Industrial and Testing Laboratory held on Wednesday the 15th December 1937 and Sunday the 2nd January 1938.

*****

All members with the exception of Dr.B.L.Manjunath were present.

1. Read and recorded a note by the Secretary on the action taken on the various recommendations of the Committee since its last meeting.

2. Read. Proposition from the Senior Surgeon to consider ways and means for cutting down the prices of the Laboratory products, and to give wider publicity to these products by the appointment of agents in all District Head Quarters and the display of show-cases in every District Head Quarter Hospital.

Resolved that every possible attempt be made to reduce prices consistent with quality. In view of the fact that it would not be possible for any honest manufacturer under the existing conditions to compete with makers of spurious drugs in the market, and also in view of the fact that the India Government have taken action to introduce legislation ~~xxxxxxxx~~ to prevent the importation of adulterated and misbranded drugs, the Committee may prepare a draft "Drug Adulteration Act" for submission to Government.

Resolved that the sole agents be instructed to have representatives in all District Head Quarters and elsewhere, and action be taken by the Laboratory to keep show-cases in all District Hospitals.

3. Proposition- Expansion of the activities of the Industrial and Testing Laboratory. This subject on which a note was furnished to the Committee was discussed at length at the meeting held on 2nd January 1938. It was considered desirable that in view of the fact that several

firms in Northern India are expanding their activities and other firms are starting new activities in South India, this Laboratory whose products have already earned a reputation in the market should expand its activities in order to keep pace with the recent developments in the Industry.

It was resolved to recommend to Government that the Pharmaceutical Section of the Industrial and Testing Laboratory be converted into a Public Limited Liability concern under Government support and encouragement, with an authorised capital of Rs.25 lakhs of which Rs.12½ lakhs would be issued for subscription immediately. A draft prospectus approved by the Committee is enclosed.

4. Read Government Order No. D 4247-4306/9-12/83-37-2 dated 11.12.37 directing the change of the name of the "Industrial and Testing Laboratory" to "The Mysore Medicinal Products".

It was stated that the products of the Laboratory going under the name of an institution controlled by "Government" have earned a reputation for quality in the market, and it was also pointed out by our sole agents in Madras that there would be a set back to the sales if at this stage the name is changed to one which does not associate "Government" with it.

Resolved that a recommendation be sent up to Government to permit the old name "Government Industrial and Testing Laboratory" to be retained until the question of the conversion of the Laboratory into a Company is settled.

Secretary.

S. Subba Rao.
Chairman.

DRAFT PROSPECTUS.

THE MYSORE MEDICINAL PRODUCTS, LTD.,

Authorised Capital Rs.25,00,000, divided into -

250,000 shares of Rs.10/- each.

Issued Capital - Rs.125,000/-.

1. The Mysore Medicinal Products Limited has been formed for the objects specified in the Memorandum of Association and in particular to manufacture of drugs and pharmaceutticals.

2. The importance of growing indigenous medicinal herbs and plants and the manufacture of standard medicines and their distribution at as low a price as possible is a factor intimately bound with the public health of the people, and specially so in India as pointed out by the Drugs Enquiry Committee 1930-31.

3. The most important recommendations by the Committee regarding the Drug Industry have been (1) The adoption of uniform excise regulations throughout India, (2) The enactment of a Drug - Adulteration Act, and (3) The promotion of cultivation of medicinal plants and herbs. Action is being taken on the several recommendations by the Committee by various Governments.

4. With the enactment of suitable legislation for control of adulterated drugs, and the removal of inter-provincial Excise barriers by the adoption of a uniform excise policy throughout India in the very near future, the demand for pure drugs is bound to increase.

5. Since the Committee(s report there has been considerable expansion in the demand for medicinal products and active attempts are being made in Northern and Central India to meet the

the growing needs of the country by the expansion in the activities of the several Indian Manufacturing concerns,and also the starting of some new firms.

6. In Southern India, however, there are no large mnufacturing concerns at present which can adequately meet the rising demands. The moment appears to be opportune for starting a Pharmaceutical Works on a sufficiently large scale to meet this demand. The Government of Mysore who have always been keenly alive to the possibilities in this direction have already started a Pharmaceutical concern, which can serve as a nucleus for a large factory of the size - contemplated. There is additional advantage that the Company to be started can expand production right-away without the usual time-lag before actually commencing operation.

7. Mysore State abounds in a variety of climatic and soil condition offering excellent facilities for cultivationof several medicinal plants. The Babudans and various other hilly tracts have been veritable emporia of medicinal plants from time immemorial.

8. Bangalore itself, by reason of its equable climate and as a railway centre affording suitable facilities for distribution is a very good venue for manufacture. The presence of several well-equipped Government and other Laboratories and the existence of large well-equipped State Hospitals, will afford great facilities for Research and Clinical trials.

9. The formation recently of a big chemical concern in Mysore manufacturing a number of heavy chemicals and of another concern near

near Bangalore itself expected shortly to be formed for the manufacture of Industrial chemicals will be a source of further advantage.

10. The Government of Mysore are therefore affording the following facilities for rapidly developing the industry within the State and to ensure its success.

(a) They will subscribe not less than 20% of the authorised capital which will include the value of buildings, plants, & Machinery and stock in trade valued at Rs.
which they have already invested in The Mysore Medicinal Products. No charge is made for lands or goodwill.

(b) They will permit the work of the present Government Medical Stores to be handled by the Company.

(c) They will also transfer the activities now carried out by the Government Serum Institute, Bangalore, relating to the manufacture of sera for veterinary purposes to the new Company.

(d) Government lands will be given to the Company free of cost if available, and private lands will be acquired at the cost of the Company under the Land Acquisition regulation for the cultivation of drugs, and for manufacturing operations.

(e) They will allow the free use of water.

(f) They will obtain all their - requirements of drugs and pharmaceuticals from the Company provided price and quality are satisfactory.

11. The authorised capital of the Company is Rs.25 lakhs of which the issued capital will be Rs.12½ lakhs for the present.

12. When maximum production is reached, it is estimated that after providing for all expenses and general and depreciation reserve, it will be possible to declare a dividend of about 10% on the capital invested. Considering the fact that similar leading Indian concerns are consistently declaring a dividend of 15 to 20%, this estimate of return of profit appears to be quite conservative.

13. The management of the Company will rest with a Board of Directors consisting of not more than 9 members, of whom 3 including the Chairman will be nominated by the Government of Mysore. The appointment of the Secretary and the Manager of the Factory will be made by the Board subject to the approval of the Government.

14. The qualification of a Director other than those nominated by Government shall be the holding of 500 shares in the company of the nominal value of Rs.5,000/-. The sitting fee of the Directors including Government Directors shall be a sum not exceeding Rs.25/- each and in the case of the Chairman a sum not exceeding Rs.35/- per every meeting of the Board attended by them.

15. None of the Directors has any interest in the promotion of the Company.

16. The capital of the Company will be Rs. 25,00,000/- divided into 250,000 shares of Rs.10/- each; of which for the present it is proposed to issue for subscriptions 12½ lakhs; divided into 125,000 shares of Rs.10/- each; of this Rs.2/- will be paid with the application, Rs.2/- on allotment and the balance in three

Rs.2/- on allotment and the balance in three calls, at intervals of not less than 3 months between each call.

17. Preliminary expenses payable by the Company excluding brokerage is estimated at Rs.15,000/-.

18. A brokerage not exceeding 1% will be allowed to Banks or recognised Brokers in respect of shares alloted on applications submitted by them.

19. A copy of the Company's Memorandum of Association is attached to this prospectus.

20. Minimum subscription on which the Directors may proceed to allotment is 80% of the capital.

SECRETARY.

DO. 3490

Bangalore,

12th January 1938.

My dear Colonel Chopra,

In continuation of our correspondence, I write to say that I propose to send Dr. S. Subba Rao, our Chief Medical Officer and Mr S. G. Sastri, the Industrial Chemist, to Calcutta to see you and discuss the question. They will put you in possession of all information regarding the existing factory and the facilities that are available in Bangalore.

Would it be convenient to you if they came to Calcutta in the second week of February ?

I hope you are in the best of health.

Yours sincerely.

Colonel
R. N. Chopra, C.I.E., K.H.P., I.M.S.,
Director,
School of Tropical Medicine,
Central Avenue,
CALCUTTA.

S.G. Sastry, Esq., B.A., M.Sc., (Lond.)
Director.

GOVERNMENT OF MYSORE

ADDRESS FOR TELEGRAMS.
SANDAL
MYSORE
CODE USED: "BENTLEY'S"

Office of the Director,
SANDALWOOD OIL FACTORY,
Mysore, 14th January 1938

No. 1/37-38
Enc. 1

IMMEDIATE & CONFIDENTIAL.

Dear Mr.Venkatanaranappa,

I enclose herewith for your confidential information D.O. No.5734 dated 13th January 1938 from Mr. K. Parthasarathi on the subject of submission of report to Government on the recommendations of the Advisory Committee of the Laboratory.

I beg to inform you that the report of the Committee together with the recommendations of the Committee was sent to you along with my letter No.1/37-38/Encls. dated 7th Jany. 1938.

May I request you to kindly let me know if you have received my letter of 7th January 1938 together with its enclosures?

Thanking you in anticipation,

I remain,

Yours sincerely,

S G Sastry

M. Venkatanaranappa, Esq., B.A.,
Development Secretary to the
Government of Mysore, Bangalore.

D. O. No. 5734.

K. PARTHASARATHI, ESQ., B.A.,
Assistant Director.

GOVT. INDUSTRIAL & TESTING LABORATORY,
MALLESWARAM, P.O.,

Bangalore, dated, 13th January *193* 8.

Confidential.

Dear Sir,

I learn that yesterday at 5-30 p.m. the Senior Surgeon was present at a meeting held by the Dewan with the Second Member and the Development Secretary and he mentioned about the discussion in the Pharmaceutical Committee regarding the formation of a Pharmaceutical Company and he was told that recommendations of the Committee had not yet reached the Government. I am passing on this ~~information~~ news for your kind information.

Yours sincerely,

K Parthasarathy

S.G. Sastry, Esq., B.A., M.Sc., F.C.S.,
Director of Sandalwood Oil Factory,
Mysore.

Immediate
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

CALCUTTA SCHOOL OF TROPICAL MEDICINE
& CENTRAL AVENUE
CALCUTTA

TELE. ADDRESS:
"TROPMED"

OFFICE
SECOND MEMBER OF COUNCIL.
24 JAN. 1938
No. 537

THE 19th January, 1938

The Secretary,
Development Department, Mysore,
Mysore.

Dear Sir,

I am in receipt of your letter of 5th January. I regret I have not been able to reply to it earlier as I have been very busy in connection with the Jubilee Session of the Indian Science Congress. I am much obliged to you for the rough prospectus you have prepared for the company to be floated for the manufacture of pharmaceutical preparations on a large scale, and I am now studying it. I was hoping to visit Bangalore but I am afraid it will not be possible for me to come there in the near future. I have also received a letter from the Dewan informing me that he is proposing to send Dr. S. Rao, the Chief Medical Officer, and Mr. S.G. Sastri, the Industrial Chemist, to see me in Calcutta and discuss the question, somewhere about the second week of February. This I think will meet with the situation and I hope to be ready for them by the time they come.

Yours sincerely,

N. N. Ghosh

For perusal

Secretary
Dewan

MW. 24.1.38

MS 25-1-38

MW 26.1.38.

MW 28/1/38

CALCUTTA SCHOOL OF TROPICAL MEDICINE
CENTRAL AVENUE
CALCUTTA

TELE. ADDRESS:
"TROPMED"

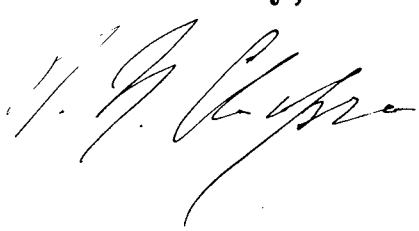
THE 4th February, 1938

My dear Sir Mirza,

In continuation of my letter dated the 19th January 1938 I am writing to say that I shall be ready for meeting your Chief Medical Officer and the Industrial Chemist any time between the 12th and 15th of February. Kindly send me a wire as to the exact date of their arrival.

Trusting you are very fit and with kind regards,

Yours sincerely,



Sir Mirza Ismail,
Dewan, Mysore State,
Mysore. (South India)

Dr. Soap for necessary action.

MN
9-2-38

Please wire
Our Senior Surgeon & Director Sanitation will probably expect arrive Mysore Monday morning or Tuesday morning later 8th. They will wire again exact date.
Dewan

Issued wire No. 129-307/P3. & 11/2/38 MN
MN 9/2 Issued Copy W. C. to the Senior Surgeon and Director Sanitation Mysore
1 m
11/2

Rs. A.

Class Amount No Date

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98 SW

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Address TROPMED CALCUTTA
Telegraph Office

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DIRECTOR	SANDAL	OIL	FACTORY
EXPECT	ARRIVE	HOWRAH	MONDAY
MORNING	OR	TUESDAY	MORNING
LATEST	STOP	THEY	WILL

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Signature and Address of Sender

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When a reply is to be prepaid, write the words "Reply Paid" and the amount in the space below

TO { Name / Address / Telegraph Office

~~XEROX~~ WIRE	AGAIN	EXACT	DATE

FROM { DEVSEC

NOT TO BE TELEGRAPHED

Signature and Address of Sender (SD) M. Venkatanarayanappa
NOW SECY. TO GOVT., DEV. DEPT. 9/2

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Lal Chand & Sons, Printers, Calcutta—No. 8031 R (B-13)—20-4-36—30,000 Bks.

GOVERNMENT OF MYSORE

ADDRESS FOR TELEGRAMS:
SANDAL
MYSORE
CODE USED: "BENTLEY'S"

Office of the Director,
SANDALWOOD OIL FACTORY

Mysore, 10th March 193 8.
Camp. Bangalore,

No. C. 35.
Enc. Notes &c.

STRICTLY CONFIDENTIAL.

11/3/38

M. Venkatanaranappa, Esq., B.A.,
Development Secretary to the Government of
H.H. the Maharaja of Mysore, Bangalore.

S i r,

Proposal of Col. Chopra:

***

We have the honour to submit herewith in original a note prepared by Col. Chopra on the subject of the expansion of the Pharmaceutical industry in the State of Mysore. We interviewed Col. Chopra on three occasions in Calcutta and had a detailed discussion on the points raised in his note. For the sake of easy reference, a precis of all the important points arising out of the note has been prepared and submitted herewith.

Col. Chopra's note envisages the possibility of his being entrusted with the piloting of the scheme put forward by him after he retires from Government service in August 1939. So far as we could scrutinize the scheme of Col. Chopra, we feel that there is nothing new, but on the other hand, the things which he has indicated - have been kept in view by us for quite a long time.

The Industrial & Testing Laboratory is going to ask for an immediate grant of one lakh of rupees in the - budget for 1938-39 for the next stage of development and if the Government will be pleased to approve of this provision and sanction the amount, we feel that the next stage of progress of the Laboratory will have been assured. Therefore, the proposals of Col. Chopra may receive - consideration at the hands of the Government in due course.

We have the honour to be,
S i r,
Your most obedient servants,

S. Subba Rao

atk)

P R E C I S.

I. The proposal is to establish at once a very large factory with a capital of 50 lakhs to manufacture the following:--

1) Pharmacopeal drugs and galenicals
2) Proprietory preparations
3) Preparation of Bismuth, Arsenic & other heavy metals.
4) Toilet requisites.
5) Soaps.
6) Surgical dressings.
7) Sera and Vaccines.

a) 1) & 2) are now made in the Industrial & Testing Laboratory. Requires expansion. 4) & 5) are made in Soap Factory. 3), 6) & 7) will have to be evolved - gradually.

b) It is advisable to make a moderate beginning and expand gradually as demands increase, as has been done by all the works that we inspected.

II. It is also proposed to manufacture basic chemicals.

1) Acids
2) Alkalies
3) Alcohol
4) Glass.

a) 1) will be done in the new Sulphuric-acid works.

2) will not pay. Better to get them from other factories.

3) Alcohol. It is advisable to get our supplies from the Sugar Factory at Mandya on favourable terms.

4) Glass. May be taken up later if raw-materials are available.

III. British & American firms are not likely to give any assistance. The terms of the French and Belgian firms seem to be exorbitant. The proposal of getting their products in bulk and re-bottling them in smaller quantities is not commendable.

IV. The staff proposed, at a cost of about Rs.15,000/- a month, and the travelling expenses of the Director and his assistants in Europe and America would consume a very large percentage of the initial capital.

V. The idea of having a subsidiary factory in North-West Provinces in the neighbourhood of the habitat of some of the raw-materials would not be a worrkable - proposition.

VI. About 50% of the imported drugs are consumed by the Government Medical Stores in the different - provinces of British India; and it is a matter for consideration whether we can obtain their custom.

VII. Col. Chopra's services will not be available till August 1939. It is preferable to start expanding the Industrial & Testing Laboratory <u>at once</u>, instead of waiting for such a long time.

Bosley

S. Subba Rao.

Calcutta School of Tropical Medicine
Central Avenue
Calcutta.

TELE. ADDRESS:
"TROPMED"

The 22nd February, 1938

Dear Dr. Subba Rao,

Herewith I am sending you my note on the drug manufacture in India with its appendices. Kindly show this to Sir Mirza and let me know what his reactions are.

With kind regards,

Yours sincerely,

R. N. Chopra

Dr. S. Subba Rao,
Senior State Surgeon,
Bangalore.

DRUG MANUFACTURE IN INDIA.

That there is a large and rapidly growing demand in India for medicinal drugs and allied substances is shown by the statistics given in Table I gathered from the 'Sea-borne statistics' of the Customs Department. Under the heading 'Medicinal' it will be observed that whereas in 1931-32 the import of medicinal drugs and preparations, pharmacopoeial and otherwise, was 144.2 lacs of rupees in 1936-37 it was 139.0 lacs. The import of patent and proprietary medicines has gone up from 46.9 lacs to 67.9 lacs. It will also be seen that such articles as alcohol used for medicinal preparations and essential oils used for medicinal and other purposes have also increased considerably during the last five years. The net result is that under the heading 'I. Medicinal' the total import for 1936-37 was valued at 259.3 lacs of rupees as compared with 231.3 lacs in 1931-32.

2. It must be stated here that there are two other types of imported substances which should be studied in this connection and these are those put under the heading 'II. Total Chemicals (excluding manures and medicines)' and heading 'III. Toilet products. The reason for their consideration is that in any scheme for the development of the drug industry in India the development of these allied industries is materially concerned. It is infact my opinion that unless the manufacture of these allied products is developed along with the manufacture of medicinal drugs the latter cannot attain any remarkable success.

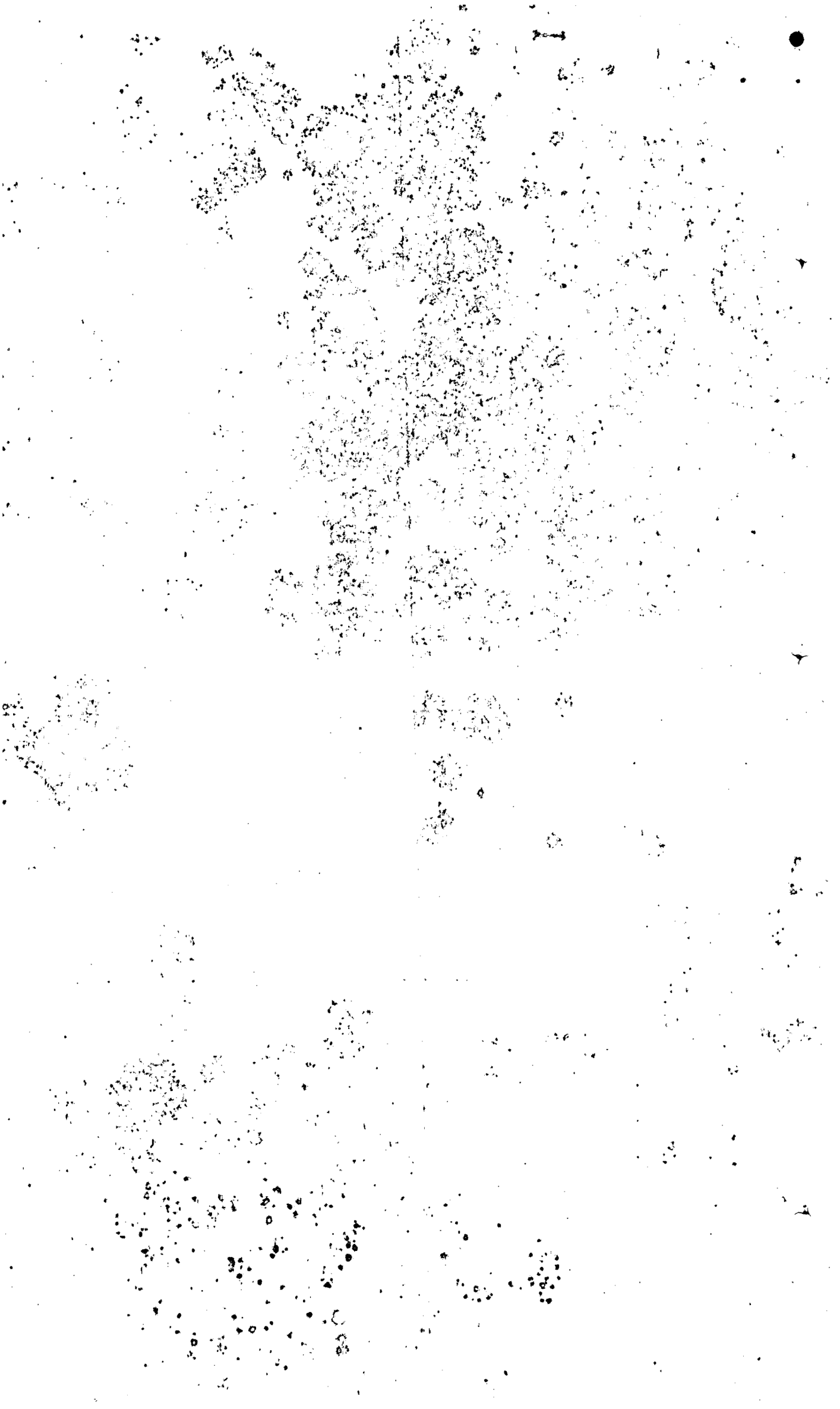
3. The reason for this is that the chemicals concerned under the heading II form the basis for production of medicinal drugs and for obvious reasons if we go on depending on foreign supplies for these essential basic products our expansion and development is likely to be jeopardised. What for instance, will happen in case of a European war when these supplies are cut off, or if the importers raise their prices enormously. Secondly, the manufacture of 'III. Toilet products' is very intimately connected with those of medicinal

drugs and without much extra expenditure in machinery and expert personnel, the manufacture of most of these can be developed and the large and growing demand in the country met. I might state here that the development of this branch is one of the important sources of the large profits such firms as the Bengal Chemical and Pharmaceutical Works Ltd., are making. I also know that those firms which are not manufacturing these products are not so well off.

4. A perusal of the statistics given in the table will show that the imports under the heading 'Chemicals' have increased from 262.7 lacs in 1931-32 to 279.1 lacs in 1936-37. The toilet products have gone up from 47.79 lacs in 1931-32 to 67.24 lacs in 1935-36. The total figures under the three headings have gone up from 469.64 lacs in 1931-32 to 650.22 lacs in 1935-36. These figures are convincing though to show that the demand in India is large and is growing and there is a strong case for the development of the manufacture of these substances which are so essential for life in these days.

5. Let us now examine what is the position with regard to the manufacture of medicinal preparations at the present time in India. Although no reliable statistics are available, from the knowledge I have of the drug industry in India, I have reason to believe that medicinal drugs manufactured in this country at the present time may be estimated at anything from about 50 per cent. or a little more, of those imported, i.e., of the figure 259.34 lacs. There are only a few reliable firms of drug manufacturers in India and among these the important ones are:-

1. Bengal Chemical & Pharmaceutical Works, Calcutta.
2. Smith Stanistreet & Co., Calcutta.
3. Butto Kristo Paul & Co., Calcutta.
4. Bathgate & Co., Calcutta.
5. Bengal Immunity Co. Ltd., Calcutta who produce sera and vaccine.
6. Alembic Chemical Works, Baroda.



Most of these firms manufacture articles under the heading 'I. Medicinal' in the table and also under the heading 'III. Toilet products'. So far as 'II. Chemicals' are concerned the produce is mainly confined to small quantities of acids and a few of the common chemicals. For everything else we have to depend on foreign countries. Bengal Chemical & Pharmaceutical Works have lately started the manufacture of patent foods which is another profitable line, but the quality of these products is nowhere near the standard of products such as ovaltine, Glaxo, &c. Messrs. Smith Stanistreet produce certain qualities of strychnine, caffiene and a few other alkaloids.

6. Besides the firms named above and a few more, there are a very large number of small firms, some of which manufacture standard products, but most of them turn out preparations which are not above suspicion. Some firms import products in bulk from concerns of doubtful reputation abroad, bottle them and sell them to the public. Others obtain concentrated extracts and dilute and label them before sale. The capital of all the drug manufacturing concerns in India would not amount more than a crore of rupees. In the absence of any drug control, all these manufacturers appear to be making handsome profits inspite of the fact that the majority are poorly equipped and inefficiently staffed.

7. If the working of the different factories of India be reviewed, it may be stated without prejudice that not one of the existing manufacturers are offering the same quality of reliable and standard preparations as such firms as Burroughs Welcome or Parke Davis, or the reputed manufacturers in Germany. Besides this, these manufacturers are not producing metallic salts, organo-metaloid compounds and many other special preparations for which the demand is steadily increasing in this country. It may be asked why the existing successful drug manufacturing firms which are steadily paying a dividend of 15 per cent to the shareholders, are not expanding their activities in these directions. The answer is that

these factories are getting all the business they want to satisfy their shareholders, and they will not take the inevitable risks of expansion which will for sometime at least affect their dividends. Then again, the fact must not be overlooked that modernisation and expansion for these factories would mean scrapping their old plants and machinery for which purpose they have not built up the requisite reserve. Unlike the first class foreign manufacturing firms, who continually replace old plants by more modern and efficient machinery the Indian firms have been propitiating the shareholders with fat dividends and ignored the necessity of strengthening the reserve fund for modernisation of the plant in order to ensure perfect standardisation of their articles. On account of this short-sighted policy the existing Indian firms are not capable of offering that standard of quality which the consumers find in the products of the reputed foreign makers of medicinal drugs.

8. Any new firm therefore who will install a modern plant and manufacture pharmaceutical products according to up-to-date technique so as to secure perfect standardisation of the articles will at once win the confidence of the consuming public and sell all that it could produce, provided the prices be reasonable. In drugs and medicines, in perfumery or toilet articles and in proprietary chemical articles, the quality of the articles produced is the first recommendation to the buyer. And if the quality be right and the price be competitive, the manufacturer has very little trouble to obtain the maximum sale for his articles, inspite of all competition, local or foreign. The state of affairs now is that Indian consumers are developing keener sense for quality in what they buy, more specially in drugs and medicines. Besides the Congress administrators in provinces are looking for wider medical relief of the governed. They are therefore anxious to support and patronise any organisation capable of supplying to the public reliable drugs at reasonable cost. These new conditions provide great opportunities to a firm in India, if it be in a position to offer standardised drugs at reasonable prices.

9. The figures quoted above leave no room for doubt regarding the large and growing demand for western medicinal preparations and allied substances in this country. The medicinal drugs are specially growing ahead as the western system of medicine is extending rapidly among the masses and as many cannot afford to buy good quality of drugs on account of their high price, the sale of drugs of poor quality and strength flourishes on account of there being no drug control in India. The firms who manufacture good quality of drugs in India cannot cope with the demand for their products and import trade flurishes and is increasing by leaps and bounds. The need for extension and development of the manufacture of medicinal drugs on sound lines is pressing in view of the fact that the Government of India have already made a beginning towards the control of spurious and below standard drugs in this country.

10. Drug manufacture at present is chiefly centred in (1) Bengal and (2) Bombay with isolated factories in U.P., Punjab etc. The ratio works out to roughly about 70 per cent in Bengal and 30 per cent in all other provinces. The reason for having a large number of factories in Calcutta is probably that it is a commercial centre and a large port. Besides having a large number of graduates in chemistry, readily available for employment in factories, the Calcutta market is the centre of supply of all sorts of basic raw materials, indigenous and imported, required for drug manufacture. Moreover, the climate of Calcutta is temperate, gas, coal and electricity are cheap. The two large factories Bengal Chemical & Pharmaceutical Works and Smith Stanistreet have a capital of 20 to 25 lacs each; most of the others have not much more than five lacs each.

The Bengal factories supply Northern and Central India and the Bombay factories supply that presidency and the contiguous areas. In South India, very few large size drug manufacturing houses exist. The supply has to be obtained from foreign sources or from

Bengal or Bombay - both becomes expensive on account of extra Railway freight. South India will therefore be a remunerative market.

The present time is particularly suitable. Drug control legislation from Central and Provincial Governments is shortly to be enacted. This will adversely affect many organisation in India doing unscrupulous trading and realizing large profits by putting up adulterated drugs on the market.

II. In order, however, that the success of such a proposition is assured three things are essential:

(i) The manufacture of these drugs should be undertaken on a large scale and it should be possible to manufacture every kind of drug - medicinal drugs, patent and proprietary medicines, organo-metallic compounds, and biological product such as sera and vaccines (see table)

(ii) The drugs turned out should be upto standard and at a price commensurate with the means of the masses in the country.

(iii) The allied industries such as for manufacture of chemicals (acids, salts, etc. see details in the table) alcohol and allied products, glassware, &c., should be developed along with drug manufacture. The materials for such industry could be found in the country and without the development of this branch it will not be possible to put the drug industry on a solid foundation. The development of this branch will also enable us to manufacture the fine chemical and laboratory reagents which are now being entirely imported.

12. During the last 17 years I have carefully studied the problem and I have formed the opinion that drug manufacture in India should be able to successfully compete with foreign manufacture provided the above conditions are fulfilled and a factory is started in India in a suitable place and proper use is made for all the resources that this country offers. It is at this stage, difficult to form any accurate estimate of the amount of capital which will be required to start an industry on the lines stated in the foregoing

paragraph. As a rough estimate it may be stated that a capital of 35 to 50 lacs of rupees will be required to manufacture all the articles mentioned under head 'I.Medicinal drugs (including alcohol)' and under heading 'III. Toilet products'. If, however, the heading 'II. Chemicals' is to be developed more capital will probably be necessary. It may be mentioned, however, that if the two are worked together the initial and working cost will be considerably smaller than if one scheme only is started.

13. As Mysore has already started a scheme for heavy chemical industry, and as a soap factory is already in existence which could extend and manufacture all Toilet products, and as alcohol production is already in hand, a capital of 25 lacs will suffice for medicinal products. It may be stated here that it is not intended to start the whole scheme at once. To begin with the section for manufacturing drugs used in the pharmacopoeias for which there is a steady and constant demand may be started and gradually other sections will be added. It will take perhaps 5 to 6 years before the full scheme is in working order. The whole capital will not therefore be required at once. During the first few years only 10 to 15 lacs may be actually necessary. The object of having a large enough capital for the development of the full scheme is that it should be possible to start manufacture on a large enough scale to enable this organisation to eventually manufacture every kind of medicinal preparations (including surgical dressings) and chemicals and to be able to compete successfully with firms who import drugs into India and those manufacture these in this country. Even the patent and proprietary medicines for which there is a very large demand can be produced and standard quality of vaccines and sera could be manufactured.

(14) Details of manufacture.

Manufacture of medicinal drugs should be taken up in several stages according to convenience of manufacture. The following categories of drugs etc., can be started within the first year of the floatation of the company.

(a) Pharmaceutical preparations, galenicals and fixed oils, etc. (Appendix I. Part I, Part II. A.C.)

(b) Selected preparations from the indigenous drugs with special reference to demand in South Indian market. Incentive for this class of manufacture has been given by researches in the School of Tropical Medicine, Calcutta. Some of these products put on the market in form of suitable preparations have brought large profits to manufacturers in Calcutta. The Indian practitioners appear to be treating these preparations with favour. (A list is also appended).

(c) Selected proprietary medicinal specialities which are very largely used e.g., Tonics, Digestive mixtures, etc.

(d) Toilet preparations and household requisites. (see list in Appendix).

(e) Surgical dressings (see list in Appendix).

(f) Biological products e.g., sera, vaccines. (see list in Appendix).

These items are comparatively easy to manufacture, the machinery required is not very complicated and the initial outlay is likely to be repaid in a short time. The drugs mentioned under (a), (b) and (c) are largely in demand and will benefit a very large section of people and if successfully carried out, will give the new company a backbone for its future growth. Sections (d) and (e) are very important accessories for common use.

The following items will be taken up gradually

after careful consideration of the market demand and the economics of their manufacture:

1. Alkaloids and active principles (Appendix III)
2. Inorganic drugs (Appendix IV)
3. Special organic drugs and chemicals (Appendix V)
4. Preparations containing digestive enzymes.
5. Metallic and organo-metallic preparations (Appendix VI.a).
6. Endocrine preparations (Appendix VI b).
7. Vitamin preparations, patent foods etc. (AppendixVII

Some of the items like endocrine products may not be possible to be produced on a competitive price under the present conditions existing in India. Patent foods will require special consideration if they are to be produced at competitive prices.

(15) In order to successfully start an organisation for the object stated above, both from the point of view of economy and rapid development of the scheme, I consider that it will be advisable to get collaboration of a firm of standing and repute with large experience of manufacture of this class of drugs from either Europe or America. During the course of my work I have come in contact with a number of such firms and I think that this should be possible. The advantage of such collaboration will be that a firm of standing and repute such as we wish to get into this scheme will not only bring its experience of the most up-to-date methods of manufacture but also bring with it the rights of manufacture of a large number of patent and proprietary medicines for which there is great demand and which are so essential in the treatment of tropical diseases. With such a firm as a collaboratory the selection and setting up of the machinery will present no difficulty. It will also be possible to bring in a certain number of experts on the manufacturing and scientific side and this will make the initial starting

easy and will considerably reduce the period from the beginning of the activities to the time when the organisation is in full working order, producing materials and making profits. It will enable us to train experts in different branches in the factories of this firm.

(16)During my leave last summer in Europe I visited a number of factories both in Great Britain and on the continent and had long conversations with the heads of these firms about their collaboration in a scheme for drug manufacture in India. The British, American and German firms absolutely refused to have anything to do with such a proposition. The only firms who gave a sympathetic hearing were a big firm of manufacturers in France and another one in Belgium. In the memoranda which I am attaching herewith their views are given in detail. It will be seen that the French firm imposed such conditions as to make any collaboration impossible. This form wants complete control of the management of the factory as a condition precedent on their participation. The Belgium firm, however, was more reasonable and offered to collaborate on acceptable terms. The condition put forward was that we would buy the necessary material which would be required for manufacture of medicinal drugs from this firm and would undertake to push their products in India. In return they agreed to lend the services of experts, if we needed, at reasonable and competitive prices which they would quote previously and which could be accepted by us, if found satisfactory. Roughly speaking, it came to this, that if we want one of their experts to come for a certain period we would have to give him emoluments at the rate of 50 per cent. more of what they were given at their home plus first-class passage to India and back

and certain leave concessions. This firm would also allow us to manufadture some of their special products such as arsenicals, etc., and sell them by charging a royalty which would be agreed previously. They will also undertake to train young Indians we send in their own works in different branches of manufacture.

(17) The first thing to make certain is the finance. When this is ensured the organisation of the company may be taken in hand. For the manufacture of medicinal drugs on a scale we propose to do an organisation with two main divisions will be needed.

Section i. Manufacturing side including research unit for technological advice, standardization work, identification of crude drugs, etc. This section is very important and is composed of pharmacologists, botanists, chemists &c with experience of Indian conditions who will test the raw material used in the manufacture to see if it is upto standard. They will test each batch of final product with regard to its activity. They will carry out research and work out the most suitable methods of manufacture and storage with due regard to climatic conditions. They will study the demands of the public and will introduce new and suitable preparations. The person who should be at the head of such a section or such a division will have to be a man with considerable knowledge of the general as well as the local conditions. He should be a man whose very name should inspire confidence of the public with regard to the standard and quality of the preparations produced. He will advise the company to get foreign experts where necessary for purposes of manufacture and for training Indian youths in specialised branches of drug manufacture.

Section ii. Sales and publicity side which will maintain contact with market demands, look after advertisements and distribution of drugs.

B. Appointments of the manufacturing and technical

Director and some important technical and research experts, e.g., manufacturing chemist, botanist and pharmacologist, and posts in the sales and publicity side. Every attempt should be made to get suitable persons in India. This should be possible and I have already got a few men in view. It may be necessary to get one or two experts from abroad for 2 or 3 years for certain departments.

The personnel which might be necessary for Section I is detailed in the attached table. This may have to be expanded as necessity arises.

C. Examination by the technical director of the site, the building and existing equipment of the Mysore Pharmaceuticals Ltd. If modernization and expansion is possible, this may be made the nucleus for further growth. Otherwise, the question of new buildings and factory sheds will have to be considered.

D. If Indian technical and factory engineers are available, the services of such a person or a group of persons should be enlisted temporarily. Otherwise a foreign expert should be temporarily engaged to design the building and give expert advice about the most economic machinery.

E. After preliminary arrangements with regard to organisation, it will be necessary for the Director to tour in Europe and America to study the modern drug factories carefully. He may have to be accompanied by two or three of his expert staff members. He will see the working of any new machinery and then order it for India. This will in the long run be economical. Further he may have to visit various Indian centres to study the economic conditions and possibilities of the drug trade from various aspects.

F. The question of obtaining basic materials for manufacture and cultivation of medicinal plants will

have to be carefully considered. The Botanist and the Director will have to examine the areas in Mysore suitable for the cultivation of important and more commonly used pharmacopoeial and indigenous medicinal plants. If this is well developed, it will not only supply the demands of the factory but there is a possibility of a large market for authentic crude drugs in India.

G. The question of bringing about a liason between the new factory and the already existing soap, alcohol and heavy chemical factories will have to be gone into very carefully. In many stages, these factories will have to work with a common end and should be complementary to each other.

H. The question of establishing a branch factory for the utilisation of raw materials in Northern India has also to be considered. Several important crude drugs are available in the North Western Himalayas. If these are brought all the way to Bangalore Factory, it will mean considerable expense on account of railway freight. If a sm small branch to produce semi-finished products is made the problem of extra expense on railway freight will be largely solved.

(18) I have been interested in drugs, their quality, action and preparations for many years and my work on the Indian indigenous drugs is well known throughout the world. As a pharmacologist I have been in close touch with the rapid advances in the quality and actions of drugs both pharmacopoeial and proprietary in origin. As Chairman of the Drugs Enquiry Committee I came very closely in touch with the drug trade all over India and the conditions of the drugs on the Indian market and the need of the people in this country. I am now the Director of the Drug Control Laboratory established by the Government of India and have expert knowledge regarding the quality and standards of drugs which should be manufactured. I am well known to

most of the renowned firms of drug manufacturers in the world who often ask my advice with regard to testing of their products and their suitability for the Indian and tropical markets. It may be possible for me to place my experience at the disposal of such an organisation after I retire from service in August 1939 if it comes into existence and if suitable terms are offered to me.

(19) The drug and chemical industry in India is yet in its infancy and if this industry is properly organised it will not only bring large profits to those who put capital into it but will throw open avenues of employment to a very large number of Indian educated youths. It will enable us to utilise the raw materials produced in the country and will bring the medicinal drugs within the means of the masses in this country whose economic condition is low and in this way relieve sufferings of large masses of humanity. It will save a large amount of money which now goes out in buying drugs from foreign countries and if organised properly it should also be able to export drugs to foreign markets in Asia and Africa. There was practically no drug industry of any importance in Japan a few years ago, but recently she has developed this industry to such an extent that not only the country is largely self supporting in this respect but there is an extensive export trade.

(20) While I fully appreciate the advantages of Bangalore with regard to proximity of soap, sandalwood and alcohol producing factories and also the possibility of having a heavy chemical industry in the near future I must point out that so far as galenicals, extracts, patent foods etc., are concerned, on account of heavy railway freight their demand will be confined mainly to Southern India. This group will form a very large portion of the output of the factory. So far as less bulky products are concerned such as biological products, organometallic compounds, etc.,

Bangalore will be able to supply advantageously the whole of India. For the bulky products, therefore, there is ample scope for other factories in Northern India.

Import of Medicinal Drugs, Chemicals and Toilet products.

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
1. Medicinal Drugs.						
*(i) Pharmacopoeial & otherwise	1,44,20,481	1,48,14,317	1,62,44,519	1,52,63,886	1,46,95,669	1,39,00,025
(ii) Proprietary medicines.	46,90,562	37,68,834	30,97,635	39,26,150	64,20,669	67,95,484
(iii) Alcohol used in medicines	30,98,786	32,80,734	33,82,330	36,51,007	38,34,246	37,95,967
**(iv) Essential oils	9,20,381	11,07,526	10,83,384	12,58,893	15,43,273	14,43,469
Total ...	2,31,30,210	2,29,71,401	2,38,07,868	2,40,99,936	2,64,94,057	2,59,34,945
2. Total Chemicals, excluding manures and medicine	2,62,77,814	2,78,13,081	2,76,92,543	2,99,98,692	3,19,21,625	2.79,12,155
3. Toilet products.	47,79,746	58,13,685	56,61,474	64,05,314	66,06,351	67,24,897

*(i) Pharmacopoeial drugs include Aloes, Asafoetida, Camphor, Cocaine, Quinine salts, Saccharin, etc.

**(iv) Essential oils include synthetic essential oils and natural oils like oils of clove, cajuputi, and others.

2. Total chemicals include acids, bleaching materials, glycerine, lead compounds, potassium and sodium compounds, fine chemicals etc.

3. Toilet products include cosmetics, dentifrices, soaps, scents etc.

Appendix I (13 pages)

Part I.

*1. Liquid Extract of Belladonna.
2. Dry Extract of Belladonna.
*3. Liquid Extract of Cascara Sagrada.
*4. Dry Extract of Cascara Sagrada.
*5. Extract of Cinchona.
*6. Liquid Extract of Cinchona.
7. Liquid Extract of Colchicum.
8. Dry Extract of Colchicum.
9. Compound Extract of Colocynth.
10. Extract of Male Fern.
11. Extract of Gentian Liq.
12. Extract of Liquorice.
*13. Liquid Extract of Liquorice.
*14. Liquid Extract of Hyoscyamus.
15. Dry Extract of Hyoscyamus.
*16. Liquid Extract of Ipecacuanha.
17. Dry Extract of Ipecacuanha.
18. Extract of Malt.
*19. Liquid Extract of Nux Vomica.
20. Dry Extract of Nux Vomica.
*21. " " " Opium Liq. ~~acetyl~~.
*22. Liquid Extract of Senega.
*23. " " " Senna.
*24. Liquid Extract of Ergot.
*25. Glycerine of Boric Acid.
*26. " " Tannic Acid.
27. " " Alum.
*28. " " Borax.
*29. Concentrated Infusion of Orange Peel.
*30. " " " Buchu
31. Concentrated Compound Infusion of Gentian.
32. Compound Mixture of Senna.
33. Mucilage of Acacia.
34. " " Tragacanth.

*35. Aromatic Powder of Chalk.
*36. " " " with Opium.
37. Compound Effervescent Powder.
*38. " Powder of Liquorice.
39. Powder of Ipecacuanha and Opium.
*40. Compound Powder of Jalap.
*41. " " " Rhubarb.
*42. " " " Tragacanth.
*43. Aromatic Spirit of Ammonia.
*44. Spirit of Camphor.
*45. " " Chloroform.
*46. " " Peppermint.
*47. " " Ether.
*48. " " Nitrous Ether.
49. Spiritus Glycerylis Nitratis.
*50. Syrup of Orange.
*51. " " Ferrous Iodide.
*52. " " Liquid of Glucose.
*53. " " Lemon.
*54. " " Wild Cherry.
*55. " " Squill.
*56. " " Senna.
*57. " " Tolu.
*58. " " Ginger.
59. Tincture of Asafetida.
*60. " " " Aurantii.
*61. " " Belladonna.
*62. Tincture of Calumba.
*63. " " Capsicum.
*64. Compound Tincture of Cardamom.
*65. Tincture of Catechu.
*66. " " Cinchona.
*67. Compound Tincture of Cinchona.
*68. Tincture of Colchicum.

*69. Tincture of Digitalis.

*70. Compound Tincture of Gentian.

*71. Tincture of Hyoscyamus.

*72. " " Ipecacuanha.

*73. " " Lemon.

*74. " " Lobelia.(External)

*75. " " Myrrh

*76. " " Nux Vomica.

*77. " " Opium.

78. Camphorated Tincture of Opium.

*79. Tincture of Quassia.

*80. " " Quillaia

*81. Compound Tincture of Rhubarb.

*82. Tincture of Squill.

*83. " " Senega.

*84. " " Stramonium.

*85. " " Strophantus.

*86. " " Tolu.

~~*87. Compound Tincture of Gentian.~~

*88. Ammoniated Tincture of Quinine (Solution).

*89. Tincture of Iodine Strong.

*90. " " Weak.

*91. Ammoniated Tincture of Valerian.

*92. Strong Tincture of Ginger.

*93. Weak Tincture of Ginger.

*94. Vinegar of Squill.

Part II

A

1. Elixir of Cascara Sagrada.
*2. Emplastrum Belladonna.
*3. " Cantharidin.
4. Extract of Malt with Cod Liver Oil.
5. Saccharated Iron Carbonate.
6. Iron and Ammonium Citrate.
7. " " Quinine Citrate.
*8. Liniment of Aconite.
*9. " " Belladonna.
*10. " " Camphor.
*11. Ammoniated Liniment of Camphor.
*12. Liniment of Soap.
*13. " " Turpentine.
*14. Acetic Liniment Turpentine.
15. Compound Paste of Zinc Oxide.
16. Pill of Aloes.
*17. " " " and Asafetida.
*18. " " " " Iron.
*19. Pill of Colocynth and Hyoscyamus.
*20. " " Iron Carbonate.
*21. " " Mercury.
*22. Compound Pill of Rhubarb.
*23. " Syrup of Ferrous Phosphate.
24. Syrup of Ferrous Phosphate with Quinine and Strychnine.
25. Lozenge of Tannic Acid.
26. " " Morphine and Ipecacuanha.
27. " " Phenol.
28. Confection of Senna.
29. " " Sulphur.
30. Ointment of Boric Acid.
*31. " " Salicylic Acid.
32. " " Tannic Acid.

33. Hydrous Ointment.
34. Ointment of Capsicum.
*35. " " Chrysarobin.
*36. " " Mercury.
*37. " " Ammoniated Mercury.
*38. Compound Ointment of Mercury.
*39. Dilute Ointment of Mercuric Nitrate.
*40. Strong " " " "
41. Ointment of Oleated Mercury.
*42. " " Mercurous Chloride.
*43. Paraffin Ointment.
44. Ointment of Phenol.
*45. Simple Ointment.
*46. Ointment of Sulphur.
47. " " Zinc Oleate.
*48. " " " Oxide.

B

Essential Oils.

49. Oil of American Wormseed.
50. Oil of Anise.
51. " " Australian Sandalwood.
52. Oil of Cade.
53. " " Cajuput.
54. " " Caraway.
55. " " Chenopodium.
56. " " Cinnamon.
57. " " Clove.
58. " " Coriander.
59. " " Dill.
60. " " Eucalyptus.
61. " " Lavender.
62. " " Lemon.
63. " " Nutmeg.
64. " " Pipperment.

65. Oil of Pine.
66. " " Rosemary.
67. " " Sandalwood.
68. " " Siberian Gir.
69. " " Turpentine.

(e)

(f). Fixed Oils.

70. Oil of Almond.
71. " " Arachis.
72. " " Camphorated.
73. Oil Castor.
74. " Hydnocarpus.
75. Oil of Linseed.
76. Oil Sesame.

Part III.

1. Atropine.
2. Atropine Sulphate.
3. Caffeine.
4. Emetine Hydrochloride.
5. Ephedrine.
6. " Hydrochloride.
7. Morphine "
8. Podophyllum Resin.
9. Quinine and its Salts.
10. Santonin.
11. Strychnine Hydrochloride.

Part IV.

Inorganic Drugs:

1. Boric Acid.
2. Hypophosphorous Acid.
3. Ammonium Carbonate.
4. " Chloride.
5. Potassium Antimonyltartrate
6. Silver Nitrate.
7. Arsenic Triiodide.
8. " Trioxide.
9. Bismuth Carbonate.
10. " Salicylate.
11. Precipitated Bismuth.
12. Red Mercuric Iodide.
13. Calcium Lactate.
14. Yellow Mercuric Oxide.
15. Mercuric Chloride.
16. Mercurous "
17. Ammoniated Mercury.
18. Magnesium Carbonate.
19. " Oxide.
20. " Sulphate.
21. Lead Acetate.
22. Potassium Iodide.
23. " Bromide.
24. " Permanganate.
25. " Chlorate.
26. " Citrate.
27. Sodium Benzoate.
28. " Bromide.
29. " Carbonate Exsiccated.
30. " Citrate.
31. " Potassium Tartarate.

Part V.

Special Organic Drugs:

1. Acetone.
*2. Acetic Acid.
3. Acetyl Salicylic Acid.
4. Benzol and Benzoic Acid.
5. Citrate Acid.
6. Lactic Acid.
7. Oleic Acid.
8. Salicylic Acid.
9. Tannic Acid.
10. Tartaric Acid.
11. Trichloracetic Acid.
*12. Ether.
13. Ethyl Chloride.
*14. Alcohol.
15. Amyl Nitrate.
16. Chloral Hydrate.
17. Chloroform.
18. Glycerine.
19. Hexamine.
20. Iodiform.
21. Lactose.

Part VI.

Special Preparations.

(a) Organo-metallic Compounds.

Gold.

1. Sodium Gold Thiosulfate (Sanocrysin).
2. Solganol.
3. Solganol - B - Oleosam.
4. Lopion.

Silver.

1. Argyrol.
2. Protargol.

Mercury.

1. Novasurol.
2. Salyrgam.
3. Mercurosal.
4. Flumerin.
5. Mercurochrome.

Arsenic.

1. Atoxyl.
2. Arsacetin.
3. Tryparsamide.
4. Arsphenamine - Neoarsphenamin Sulfarsphenamin.
5. Stovarsol.
6. Carbarsone.

Antimony.

1. Urea Stibamine group.
2. Von Heyden group.
3. Neostan - Stibamin glucoside.

Bismuth.

1. Trepol.
2. Neo-trepol.
3. Bismutol.
4. Ludtol.
5. Bismoluol.
6. Thiobismol.
7. Bismuth - Camphor - Carboxylate.
8. Bisneme
9. Bismarsen.
10. Bistoval.
11. Bismuth arsanilate.

} Containing Arsenic.

12. Mesurai ..... Containing Mercury.
13. Quino-iodo - Bismuttate.

(b) Endocrine Products.

1. Adrenaline.
2. Pituitary (Posterior).
3. Thyroid Gland Tablets.
4. Testicular and Ovarian Preparations.
5. Insulin.
6. Corpus Lutenna Preparations.

Part VII.

1. Patent Foods.

2. Vitamin Preparations.

3. Irradiated milk foods and cereal products (if possible)

Indigenous Preparations.

1. Abroma Augusta, Liquid Extract of
2. Alstonia Scholaris, Liquid Extract of
3. Aqua Ptychotis
4. Aqua Ptychotis Conc.
5. Arjuna, Liquid Extract of
6. Asoka, Liquid Extract of
7. [illegible]
8. Aswagandha, Liquid Extract of
9. Bael, Liquid Extract of
10. Bavchi, Liquid Extract of
11. Brahmi, Syrup of
12. Chirata, Essence of
13. Chyavanpras
14. Dashamul, Liquid Extract of
15. Datura " " "
16. Elixir Papain
17. Gokhru, Liquid Extract of
18. Gulancha, Compound Liquid Extract of
19. Hemidesmus, Liquid Extract of
20. [illegible]
21. [illegible]
22. Kalmegh, Liquid Extract of
23. Kamala, Liquid Extract of
24. Khetpapra, Liquid Extract of
25. Kurchi " "
26. Kuth, Liquid Extract of
27. Lodh, Liquid Extract of
28. Lodh, Syrup of
29. Makaradhwaja
30. Myrobalan Co., Tincture
31. Neem, Essence of
32. Ptycho-Papain
33. Ptychotis Tablet (see no.4)

Toilet Preparations and Household Goods.

* 1. Soaps.

* 2. Hair oils, medicated and perfumed.

* 3. Toilet creams.

* 4. Tooth creams and powders.

* 5. Perfumes.

* 6. Perfumed waters.

* 7. Smelling salts.

* 8. Disinfecting fluids.

* 9. Liquid colourings.

*10. Flavouring essences.

*11. Fruit syrups and Vinegar.

Surgical Dressings.

* 1. Absorbent Cotton Wool.

* 2. Boric and other medicated Cotton Wools.

* 3. Gauze :- Absorbent, Boric, Iodoform, Bismuth, Alembroth, Carbolic, Sublimate, Salicylate, and double Cyanide etc.

* 4. Jute tows :- Plain and Carbolic.

* 5. Lint :- Absorbent and Boric.

* 6. Bandages.

(A) Sera that can be manufactured in India.

Those that can be standardized.

I. Anti-tetanus serum.

II. Anti-diphtheria serum.

III. Anti-gas-gangrene serum.

IV. Anti-dysentery (shiga) serum.

V. Anti-pneumococcal serum.

VI. Anti-venine (?)

(B) Those that can be satisfactorily standarized.

I. Anti-meningococcal.

II. Anti-streptococcal.

III. Anti- dysentery (Flexner Group)

Vaccines that can be manufactured.

(A). Prophylactic.

i. T.A.B.Vaccine. (S).

ii. Cholera Vaccine (S).

iii. Plague (?).

iv. Vaccinia (S).

v. Staphyloccal toxoid (S).

vi. Diphtheria toxoid (S)

vii. Tuberculins (S).

(B). Therapeutic.

i. Mixed coli

ii. Gonococcal and mixed gonococcal.

iii. mixed staphylococcal.

Director Rs.1

Asst. Director (Medical) - Rs.500-1000

Pharmacology & Biochemistry		Bacteriology & Immunology	
Pharmacologist (1)	250-500	Bacteriologist (1)	250-500
Biochemist (1)	200-400	Asst.Bacteriologist (1)	200-400
Asst.Pharmacologist (1)	150-300	Vet. Surgeon (1)	100-150
Asst.Biochemist (1)	100-200	Lab.Assistants (6) (40-60)	240-360
Lab.Assistants (4) (40-60)	160-240	Attendants and Sweepers (10) (15-20)	150-200
Attendants and Sweepers (6) (15-20)	90-120		940-1,610
	950-1,760		

Office establishment and

Head clerk (1)

Store-keeper

Clerks (2) (100-200

" (4) (50-100)

Mechanical staff for running th

Engineer (1)

Asst.Engrs.(2)(100-200)

Mechanics (4) (50-100)

Workmen (10) (15-20)

200 -2,000 + 1 per cent profit.

Asst. Director ( ) Rs. 500-1000		Asst. Director (Chemical) - Rs. 500--1000	
Botany & Pharmacognosy		Organic & Analytical Chemistry	
Botanist (1)	250-500	Chief Chemist (1)	250-500
Asst.Botanist (1)	150-200	Chemist (2) (150-300)	300-600
Assistants (2) (50-75)	100-150	Asst.Chemist (6) (100-200)	600-1,200
		Compounders (6) (50-100)	300-600
		Workmen (50) (15-20)	750-1000
		Excise inspector and staff	200-250
	500-850		2,400 - 4,150

tore.

	150-300
	100-200
	200-400
	200-400
	550-1,100

plant.

	200-400
	200-400
	200-400
	150-200
	750-1,000

Total = 8790-15,470.

RESULTS OF THE INTERVIEW BETWEEN

Col. CHOPRA and Dr. ROUSSEL.

MARKET.

After discussion of the report presented by Colonel CHOPRA and examination of the figures of imported pharmacopoeial drugs, patent medicines, toilet requisites, and chemicals, as well as of the figures of those products are manufactured locally in India, it has been admitted, by common accord, that the buying capacity of the Indian market would justify the investment of capital for the creation of a factory manufacturing all the types of products proposed by Col. Chopra in his report.

Notwithstanding those general conclusions, it has been in a way admitted that from the beginning, the field of activity of a new concern to be started should be limited to a certain number of departments, whose field and scope is easy to attain, and which present the lesser difficulties in their manufacture, though benefacting of the biggest field for sales.

For these reasons it has been decided, by common choice, that the first establishment will deal with:

a) pharmacopoeial drugs
b) gallenics
c) sera and vaccines
d) toilet requisites and specially soap
e) surgical dressings
f) a reduced number of patent medicines

of such standing that they will give from the beginning a scientific reputation to the concern, in order to provide it with a definite backbone for its future growth. Connected to the manufacture of the above listed articles and after further inquiry into the actual conditions of the question

of alcohols in India, a plant should be eventually realised for the manufacturing of alcohol from the molasses of sugar which can be obtained in huge quantities in India, or eventually for the recuperation of alcohols bought locally from the trade, in order to reduce the cost price of manufacturing.

A glass factory should be also created either totally or by extending and developing a local factory already working, in order to equip it with the mechanic implements necessary for the manufacture of ampouls, tubes, bottles, etc. This connected industry indispensable to provide the manufacture of pharmaceutical products with the necessary glass articles required for the fabrication and the sale of its production, shall also be able by extension, to sell a part of its production to such concern as the Bengal Immunity, the Bengal Chemical, etc. and eventually later on, to manufacture electric bulbs for which no industry exists in India.

In what the chemicals and heavy chemicals are concerned which will constitute the final stage of development to be attained, the development of this department of industry should be reserved for the time when the first part will be sufficiently realised to allow its development without risk of lessening the activity of the branches which constitutex the first part of the program.

Overmore, the time elapsed during this period will allow to obtain further experience in the manufacture of chemicals and heavy chemicals, to create the connections for further sales, and to prepare the creation of a plant which importance demands a long study, a thorough preparation and extreme prudence.

Those recommendations made by Dr. Roussel after discussion of the conditions in India, of the capital to be invested, and of the general standing of the business, are the result of a long experience by acquired by the

creation, and the development, since more than 20,years, of factories and concerns as well in France, as in foreign countries, and which have brought the total importance of this firm to the ownership of a factories in France, one in Italy, which is the most important actual concern in this country, one factory in Poland, one in Brazil, and manufacturing centers in Mexico, Roumania,, Belgium, etc .....

It should be stated for the complete understanding and appreciation of these conclusions and the recommendations of Dr. Roussel, that the field of manufacture of his Laboratories includes as well the Pharmacopoeial drugs in South America as the biologicals and chemicals in Europe, allowing him by the wide experience he has gained in the creation and conduct of these affairs, to advise us from the beginning in order to avoid to a new concern expensive trials in fields of manufactures, which starting would be premature, and to direct the eventual development of a new concern in the successive steps and extensions which should logically and safely follow one another.

It is with these considerations in mind that have been chosen, as the first bases of the fabrication, the different departments which have been stated as the ones offering an immediate field which certainly can be considered as a guaranty of success, the further successive developments being dictated in the future by the necessities of the market.

For the first realization the utmost effort of the firm shall be :

a) to put on the market production of such standardization that they will compete successfully not only in price, but in quality with any product imported by European countries;

b) provide the largest possible amount of the Indian population with products of activity and reliability presented at such a price to allow a huge introduction into the Indian market.

COLLABORATION OF Dr. ROUSSEL'S LABORATORIES.

The Indian market offering a field of activity justifying a collaboration such as the one proposed and the personality of Col. Chopra bringing to the firm the prestige of his reputation and of his position as well as his connections and his influence in what the medical corps as well as the government of India are concerned and lastly his wide knowledge and experience of medical questions in India, have decided Dr. Roussel to consider willingly a collaboration for the scheme presented by Col. Chopra acting in the name of a group of Indian financiers.

After discussion and under certain conditions of remuneration to be discussed later on, Dr. Roussel would bring as his participation:

In his own personal experience acquired as exposed already here above, in the medical business, by the creation and development all over the world of the different concerns he owns and controls, being overmore stated that this activity and this experience are not only limited to pharmacopoeial drugs, but concern also machinery, engines building, paper mills and so providing for further development not only his personal judgement but the technical help and assistance from the staff employed in the different concerns he owns outside his group of laboratories.

2. the general management of the concern in order, from the beginning, to link together the different departments as well as technical as scientifical, commercial as financial.

3 the commercial organization based as the general management on the experience acquired in his different medical concerns, and providing with a sale organization already working in India.

4. advertising organisation and the expert staff required to conduct such a difficult and technical work as the creation of a demand for pharmacopoeial products manufactured by a new concern.

5 His technical organisation for the building of the factory, the machinery, and after installation the management of the works and the different fabrications.

6 His scientific works and researches which shall not only allow the exploitation of its actual patents but will provide the Indian firm with all the research works and products discovered and created in his laboratories, but also make it able to keep pace, without expenses, with the most important and renowned firms of Europe and America.

It is interesting to consider especially the importance of this point which will provide the new firm, from the beginning on, with a standing which could only be acquired by years of research works, which have brought by successive steps, Dr. RUSSEL'S Laboratories to the outstanding position they occupy today, and which will allow, without the enormous expenses necessary for the upkeeping of laboratories of Research, to always be in the forefront of the most up to date technic and discoveries of medicine, which constitutes the success of a concern, any being its importance.

Overmore, this will resolve the sometimes insoluble problem of finding and acquiring research workers of value with a training and an experience already tested and proved.

7 The management of the concern in the form of an experienced staff, trained especially for India in Dr. Russel's laboratories. This staff being sent to India for the starting and establishment of the business, and for the training of the Indian specialists.

8 The training in his works, his laboratories and his offices, of Indian youths of good formation, to provide

the firm with a staff as well scientific as technical and commercial, for the present as for the future.

This is the kind of cooperation Dr. Russell is willing to consider under certain conditions of remuneration, which, as already stated above, shall be discussed, as soon as it will be decided by the financial group, to definitely carry out the present scheme.

It is of the utmost importance to realise that such an association would bring to the firm, from the beginning on a capacity of production, which will allow to avoid the stages of infancy and of growth during which so much capital can be invested and destroyed, by experiences on new fields which are extremely costly.

As a matter of fact, this will enable the firm, from the very beginning on, to manufacture standard products without any risk of bad fabrication, to provide such products as required by the last therapeutics in force, and to give it from the start the technical, scientific and commercial standing of a firm of ancient and established reputation.

It can be said that the difficult period of the starting with its eventual grouping about will be avoided, and that - if these words may be used - the capital engaged will be immediately capitalised, owing to the experience the methods of manufacture, the patents and the researches which will be brought into cooperation.

REALIZATION.

It should be necessary :

1 - to constitute immediately a society with the capital proposed of 50 lacks of rupees, in order :

a) to create a psychological effect, as well on the Medical Corp of India as on the public;

b) to have at the disposal of the concern sufficient money to start the different fabrications proposed in the scheme, and the connected plants eventually, such as the alcohol and glass factories, which can prove vital for

reducing the cost prices, and for the very existence of the business;

c) to have at the disposal of the concern, treasury in sufficient quantity, to conduct the business in harmony with the conditions of credit usual in India.

2° - As soon as the Society is created, or if preferred even before the creation of the Society, but at the expenses of the financial Group, to send to India a commission, including experts of pharmacology, of fabrication, architects, and commercial organization, in order to proceed to a complete study of the Indian Market, before choosing : the site of the factory, the details of the pharmacopoeial drugs to manufacture, and the type of patent medicine to start with; to study the conditions of workmen, the price of hands, the conditions of building, the conditions of sales, the conditions of credit, and the general laws and regulations, in order to arry out the scheme in a sound and prudent way, and to prepare the training of the staff and of the Indian youths, in the exact ways and fields that will be required.

Note from the Belgian Firm of Drug Manufacturers

GENERAL QUESTIONS.

1. What law is in force in British India with regard to limited liability Companies in respect of remuneration by way of shares for technical advice, processes and services rendered ?-
2. Is it possible to create deferred shares ?- What rights and advantages may be acquired by the owner of such shares particularly as regards voting rights and division of profits ?-
3. To what duties and taxes, of any kind, are the profits distributed to these deferred shares liable ?-
4. For a capital of £250.000 and in remuneration for the services that we are prepared to render to the Company, what would be the number and value of deferred shares to be allotted to us ?-
5. Is it not possible to remunerate these services by fully-paid ordinary shares ?-
6. What would be our right of nomination of members to the Board of Directors and to the Management Committee of the Company, and also what degree of control would we have as regards the Secretarial and Accountancy side of the business ?-
7. What are your plans with regard to the technical, commercial and administrative organisation of the Comapany ?-
8. What staff would you require us to send from Europe, both as regards technical experts from the works and for business organisation ?-
   What would be the salary and allowances which you would pay to each of them ?-
   What exactly would be the nature of their duties ?-
9. Do you intend to place the general management of the business in the hands of a person to be nominated by us to act in British India ?- If so, what salary and allowances would you pay him ?-

B. CONSTRUCTION OF THE PLANT.

10) Buildings and general services:

Do you wish to look into this question ?

In the affirmative, our part and reponsibility would be limited to the making of the plans, to assist for the preparation of estimated for the special material, to point out to you the firms to which orders should be passed and to plane at your disposal a specialist for the construction, at terms to be agreed upon either for each item separately or for the undertakin -g as a whole.-

20) Erection of special machinery for the manufacture and conditioning of pharmaceutical and toilet products and starting up.

To enable us to go further into the study of this question we should like you to enlighten us on the following points:

10) Amongst the conditioned pharmaceutical products of the British pharmacopea, which are those you intend manufacturing completely, those which you will merely purify, those which you intend putting into solution, those which you intend trading in offer having conditioned them in suitable small pharmaceutical packages.

To answer this important question, we suggest that you should send us copies of the catalogues of Parke Davis, of the British Drug House, etc.., against each item of which you could indicate your intentions.-

To simplify matters, we suggest using the following letters with the meanings given herebelow; a letter being placed against each product.-

A) to be manufactured entirely with Indian raw material

B) to be manufactured entirely with raw material to be imported.

C) products, the manufacture of which would have to be completed viz. purification, making up into tabloids, dilution of concentrated solutions, drageification, cristallisation, making up into pills, etc..

D) products to be purchased in bulk, ready-prepared, to be conditioned for sale in small packages with trade mark.

E) products for sale only after special conditioning.-

F) products for wholesale trading only.-

20) Do you intend starting up a commercial department for wholesale trading in medicinal herbs ? If you do, will you kindly tell us if we have to look out for sources of supply for you ?

Do you...

Do you intend setting up a conditioned herb products department for direct sale in small package to apothecaries ?

30) Do you intend setting up a Commercial Department for the sale of all druggery products and accessories such as sponges, soaps, cleaning and upkeep materials, insecticides, photographic products, etc.? In the affirmative, would we have to consider the organization of this department and point out to you sources of supply ?

40) Do you intend setting up commercial department for the sale of instruments and accessories for apothecaries and surgeries, for medicinal optic including the sale and installation of doctors cabinet, of surgeries, of portable material, of dressings, etc...

If you do, would you expect us establish organize and start up this department and particularly make the necessary agreement for supplies and in some case for acquiring exclusive rights ? We draw you attention to the fact, that, on this particular point. we could easily make such agreements in Belgium itself.-

50) Concerning the department for sale of toilet products and purfumes do you intend manufacturing certain products yourself or merely trade in them, buying the products wholesale for conditioning and reailing them ?

Will you tell us, when you sand us the price lists of firms trading in India, which products or specialities you wish to manufacture in India (A), those which you wish to prepare by dilution (B) or by way of mixing (C).

a) If complete or partial manufactures are contempleted, we could take measures to plan at the disposed of the works, the necessary processes as well as the specialised staff for its installation and starting up.-

In this case, the remuneration of the U.C.B. would be as provided in memorandum I hereabove.

b) If the works merely buy the chemical products for conditioning and retail.

10) if these products are made by UCB, this company will deliver them by preference to the works at normal prices.

20) otherwise if U.C.B. has charge of the organization of this department, U.C.B. as purchasing agent, will receive a commission on the amount of the purchases.-

c) If the works buy pharmaceutical specialities or otherwise, in bulk, for reconditioning and sale under its own trade mark:

10) if these specialities are manufactured by U.C.B., this company will deliver them at normal price and will receive a royalty on the sales.

20) If this is not the case and if U.C.B. has charge of the organization of this department, U.C.B. as purchasing agent, will be paid a commission on the amount of the purchases.-

30) <u>Manufacturing of pharmaceutical specialities and specifics</u>.

We are sending, under separate cover, half a dozen copies of the general price list of our specialities to enable you to gather all the necessary information to answer the following questions:

10) will you kindly let us know, which are among these specialities those you merely wish to start selling on the Indian market.

As far as we are concerned, our interference would have to be understood as follows:

We would send the products ready for use but packed in bulk; you would have to do the conditioning in suitable packages for the sale.-

The products would be sold under the trade mark of the Indian Company, mentioning that they are manufactured under license of the U.C.B.

All the propaganda would be made by you at your expense and you would pay us besides the normal price for the products delivered in bulk, a royalty on the sales which would have to be fixed for each product.-

When we are acquinted with the products that could be included in this agreement, we can consider the question of base prices at which we could deliver the goods as well as the royalties we should receive.

20) Would you also kindly let us know which are the products you wish to undertake the complete manufacture of in India, as well as those for which you would like, for a start, merely to do the finishing of manufacture, however small but suffecient to be able to say and prove that the manufacture is genuine.-

On this point, we beg to confirm the advice we gave you in London, not to undertake at the start any complete manufacture in order to reduce considerably your realization expenses, but to put on a sound footing a complete series of semi manufactures.-

For this purpose, we would let you know the secrets and methods of manufacture for the last phases of the manufactures; the selling price for these processes would of course be considerably lower than the cost of the complete processes; in certain cases, we could ever give you certain processes free of charge. You would buy from us at normal price the semi finished goods and pay us a royalty on the sales.-

It is of course understood that you would also have to pay us, as mentioned in the hereabove memorandum the 15% architect fees for the purchase, the erection and starting up of these works and to refund us the salaries travelling and living expenses of the specialized staff which we would have to send out for the construction and starting up of these plants.-

With a view of helping you in the study of these questions, we give you hereafter a list of products, which in our opinion, would lend themselves best to this kind of organization and the way we should suggest to organize their semi manufacture in your work.-

ARSEBENYL-SULFARSEBENYL:

Scheme I.: Product in phials, containing accurate doses to be despatched to you in bulk, in boxes of 50 or 100Ø phials. Smaller packages to be arranged in India.-

Scheme II: Product prepared in bottles of 100 grams, to be despatched to you. Putting into phials and small packages to be made in India. This method would require the nece-ssary appliances for putting into phials

Scheme III: manufacture by you starting from oxyaminophenylarsinic acid.
Reduction, condenstion and isolati-on to be carried out by you. This method would require rather important appliances. The cost of this would be proportionate to the putput capacity.-

GOLARSYL:

Scheme I.: Product in ready prepared phials, to be despatched in bulk, in cases of 50 or 100 phials- Smaller packages to be prepared in India.

Scheme II.: Preparation of the solution by you start-

....

starting from 4 oxy- 3 acetyl-amino-phenyl-larsinic acid especially purified..

SchemeIII: see Goyl herebelow.

GOYL:

Scheme I. Product in ready prepared tabloids to be sent to you in bulk. Bottles containing 5.000 or 10.000 tabloids. Smaller packages to be made in India.

Scheme. II. Goyl in powder to be sent to you in bulk. Making up into tabloids and placing into suitable packages to be done in India.-

Scheme III. Acetylisation to be made in India, starting from oxyaminophenylarsinic acid sent from Brussels (see Arsebeny).

CARBARSONE:

Scheme I.: Tabloids or gelyles ready prepared to be sent out in bulk. Placing in suitable smaller packages to be carried out in India.-

Scheme II: Carbarsone in powder to be sent to you in bulk making up into tabloids and small packages to be arranged by you.-

Scheme III: manufacture in India according to U.C.B. processes.-

BENZETHANOL:

Scheme I: product in finished phials to be sent to you in bulk, cases of 50 or 100 phials. Dressing and small packages to be arranged for in India.

Scheme II: solution to be prepared by you starting from benzoic acid and diethanolamine delivered by U.C.B.

LIPOQUINOL:

Scheme I: see Benzethanol I.

Scheme II: Preparation of the oil solution in India starting from Camphocarbonate of Bismuth and neutralized and dehydrated oil.

Scheme III: Manufacture of Camphocarbonate of Bismuth according to the U.C.B. processes starting from camphre, sodium amidure and carbonate acid supplied by U.C.B.

CHARDYL:

Scheme I.: Powder and pills to be sent to you in bulk. Small packages to be arranged for in India.

Scheme II: Pills to be made in India starting from powder supplied by U.C.B.

Scheme III: Oxyquinolein to be supplied by U.C.B. Sulfonation and Iodination to be carried out in India according to the U.C.B. processes.

PALUDEX:

Scheme I: Product to be sent to you in ready prepared tabloids. Small and suitable packages to be made in India.-

Scheme II: making up into tabloids to be carried out in India.

Scheme III: manufacture by you according to U.C.B. processes.-

INSULINE:

Scheme I: Finished bottles to be supplied to you in bulk. Suitable and smaller packages to be arranged for in India.-

Scheme II: Powder, tested beforehand, to be supplied. Dissolution and placing in phials to be carried out in India according to U.C.B.

Scheme III: Complete manufacture to be made in India according to U.C.B. processes.

CHRYSOVALERYL:

Scheme I: Our phials ready prepared to be supplied in bulk (cases of 50 or 100 phials). Smaller and suitable packages to be made in India.

Scheme II: Solution to be prepared in India starting from salt supplied in bulk by U.C.B.

Placing into phials and packages in India.

Scheme III: Manufacture of [illegible] salt in India, according to U.C.B. processes.-

TRYSTIBINE.

Scheme I: Phials ready prepared to be supplied in bulk (cases of 50 or 100 phials). Packages to be made in India.

Scheme II: Powder to be supplied in bulk. Putting into phials and packing to be made by you.-

Scheme III: Manufacture of the product by you according to the U.C.B. processes.-

GLUCOCHAUX.

Scheme I: Tabloids or phials to be sent to you in bulk suitable packings to be made in India.

Scheme II: Preparation of tablets, granules and solutions to be made by you according to U.C.B. processes, starting from Calcium Gluconate supplied by U.C.B.

Scheme III: Manufacture of Calcium Gluconate in India according to the U.C.B. methods.

LIVER EXTRACT:

Scheme I: Phials ready for use to be supplied in bulk. Suitable packing to be made in India.

Scheme II: Concentrated solution to be sent to you for dilution and phialing.

Scheme III: Manufacture of extract from healthy animal liver by you according to U.C.B. processes.

CALCUTTA SCHOOL OF TROPICAL MEDICINE
CENTRAL AVENUE
CALCUTTA

TELE. ADDRESS:
"TROPMED"

THE 12th April, 1938

My dear Sir Mirza,

I don't think I have seen his note yet.

In the last week of February I sent a note to Dr. Subba Rao regarding the proposed scheme for the manufacture of drugs and allied preparations, in Bangalore. My botanist, Mr. Badhwar, who had the honour of meeting you in Mysore on the 12th of March told me that you have got the note and you were going through it. He also informed me that you were anxious to launch the larger project of drug manufacture in Mysore as soon as possible. I have already written and explained my position to you. I am very anxious to help you but circumstances over which I have no control prevent me from joining immediately. I shall however be glad to help in every possible way from now.

During his visit to Mysore State Mr. Badhwar collected information with regard to availability of crude drugs in that area as well as the conditions of the cultivation of many of the medicinal plants in common use. He is now preparing a note in this connection which I shall send you in due course. He has also given me an idea about your works which he visited with Mr. Shastri.

The larger scheme in Mysore can only be launched when the financial aspects are settled and capital is obtained which I understand is somewhat difficult in the present state of the market. When this is done the next

thing will be to appoint the nechnical Director and one or two of his assistants who will have to visit Europe and America with a view to get the latest machinery and and advice. It is only then that the larger scheme can be definitely started. Do you think this part can be settled quickly? As things are at present I can be free after the next winter but I shall be willing to consider any other proposal.

S. S. may h Consult on mi point.

If you still have the idea of starting a medical research and post-graduate institution in Mysore University I shall be glad to train four or five of your well qualified young men in different branches of tropical medicine in this institution. It will be easy to do so now.

I have had a very strenuous time during this winter with the Science Congress and other things and I am just going up to Kashmir for a couple of months rest. My address there will be: c/o The Postmaster, Srinagar (Kashmir).

Trusting you are fit and with kind regards,

Yours sincerely,

M. N. Chopra

Dev. log for transf of map. ups.

Sir Mirza Ismail,
Dewan, Mysore State,
Bangalore.

17-4-37

21st April 8

D.O. no. 160/P.S.
Enc. one.

(Issued).

My dear Dr. Subba Rao,

I am directed to enclose herewith an extract from Col. Chopra's letter of the 12th instant to the Dewan and to request you will kindly communicate your views on this point.

Yours sincerely,

Sastravaidyapravina
Dr. S. Subba Rao, B.A., M.B.C.M., L.R.C.P. (Lond.), M.R.C.S. (Eng.), D.P.H.,
Senior Surgeon in Mysore,
Bangalore.

No. 54 41)

26th April 1938.

My dear Colonel Chopra,

I am in receipt of your letter of the 12th instant.

I am obliged to you for discussing the proposition with Dr Subba Rao and Mr Sastry, and have read your note with much interest.

As you have stated in your letter, the conditions in the money market are not at present favourable for floating a private company such as we have in view with a large capital of Rs. 25 to 50 lakhs, and we may, perhaps, take up the question when conditions return to normal.

In the meantime, our factory will be developed as much as possible without existing organization. Frankly speaking, I feel that we should manage with a much cheaper organization than you have visualized in your note. We have a fine body of scientific officers in the State who can be relied upon to develop the concern on the most scientific and up-to-date lines. We have had good evidence of this in the success of the standard products and a few proprietory medicines which have been released on the market during recent months.

(A)

SECOND MEMBER OF COUNCIL,
27 APR. 1938
No. 8098

In regard to the training of Research and Post-graduate students, I will write to you shortly.

I trust that you are enjoying your holiday in Kashmir which must be most welcome to you after your arduous work in Calcutta.

Yours sincerely,

For personal
Secretary's NW. 27.6.38.
Secn. (a) + (b) & the
pursued
NW 29/6/38 Ce 2694 NW 29.6.38

Colonel R.N. Chopra, C.I.E., M.A., M.D., K.H.P., I.M.S.,
C/o The Post Master,
Srinagar. (Kashmir).

7154.

My dear Col.Chopra,

I am in receipt of your letter ~~dated~~ the 12th instant.

I am ~~thankful~~ obliged to you for discussing the proposition with Dr.Suoba Rao and Mr.Sastry, and have read your note with interest.

As you have stated in your letter, the conditions in the money market are not at present favourable for floating a private company with the large capital of Such a undertaking, as Rs. 25 to 50 lakhs ~~we have in view, and moreover your services will not be available till some time next year~~. ~~We~~ we may perhaps, take up the question ~~about the end of the year when we may hope more propitious conditions will prevail in the money market~~ this that when normal conditions are restored relative to normal.

Draft ~~kindly~~ submitted as ~~personally~~ discussed under report

Dewan 11.4.51

In the meantime, the ~~existing~~ Government Factory will be developed as much as possible, ~~I am looking forward to receiving Mr. Badhwar's report~~ with our working organisation. Frankly speaking, I have a feeling that we can manage with a much cheaper organisation than you have visualised in your note. We have a fine body of scientific and technical men in the State who can be relied upon to ~~do~~ work for us and develop the concern on the most economic and up-to-date scientific lines. There has been no case where we have had good evidence of this in the success which has attended the efforts of the Forest Products Research Laboratory which have been recently released in the market during recent months.

In regard to the training of Research and Post-graduate students, I will write to you shortly.

I trust that you are enjoying your holiday in Kashmir which must be welcome to you after your arduous work in Calcutta.

Yours sincerely,

Col.R.N.Chopra,
C/O The Postmaster,
Srinagar (Kashmir).

1) It is felt however that it may be possible to secure technical help at lower costs.

2) It is felt that we may further reduce expenditure on account of technical help by affording facilities to those already engaged in the laboratory for further training in foreign countries.

3) It is felt possible we may get substantial savings on the matter of technical help by deputing officers with local experience already working in the laboratory for training abroad.

CALCUTTA SCHOOL OF TROPICAL MEDICINE
CENTRAL AVENUE
CALCUTTA

TELE. ADDRESS:
"TROPMED"

THE 28th July, 1938

My dear Sir Mirza,

In a separate cover I am sending you a copy of the Annual Report of the School of Tropical Medicine. I hope you will have time to glance through it and see what is being done in this institution towards the solution of the problem of disease in this country.

I am sorry I have not been able to reply to your kind letter of 26th April as I was away in Kashmir. I note that you find the scheme of drug manufacture as visualised by me expensive. Perhaps it is, but after very careful consideration I came to the conclusion that that was the only way to build up a national drug industry which will make India independent of extraneous help, in 5 to 8 years instead of 20 to 30 years or more. The sort of manufacture your factory and other factories are carrying out is not likely to attain this object for a very very long time and therefore does not interest me. It does not need any very great technical skill and ~~so~~ is only a minor issue in this large problem. My object is to set up such an organism which will be able to manufacture every conceivable medicinal drug from the basic material produced in this country. That naturally needs a large capital. Let us hope some day my dream will come to be true though I must admit that till now I have had no encouragement from any direction. People want immediate gain and profits, they are

not far-sighted enough to appreciate what it will ultimately lead to. Please pardon me if I have been a little outspoken.

I am thinking of coming to Southern India during Dusserah holidays. If this comes off I shall look forward to meet you.

Yours sincerely,

Sir Mirza Ismail,
Dewan, Mysore State,
Bangalore.

(966)

GEN. & REVENUE SECRETARIAT. 1? AUG. 1938 DEVELOPMENT BRANCH.

Bangalore,
2nd August 1938.

957

My dear Colonel Chopra,

Many thanks for your letter of July 28 and for the copy of the report of the School of Tropical Medicine for last year which you have been good enough to send me. I shall read it at my leisure and I am sure I shall find it, like your previous reports, an interesting record of your endeavours in the solution of the problem of disease in this country.

I am very glad to learn of the possibility of your visit to Mysore during the forthcoming Dassera. Do come and I shall be very happy to put you up. The festivities start on September 24 and go on for ten days, the most important being the last four days from the 1st to the 4th of October. I shall look forward to seeing you at Mysore then.

I was interested in your remarks with reference to the scheme for developing the drug industry in the State. I should like to talk this and other matters over with you when we meet here in a few weeks' time.

With kind regards and every good wish to you in the meanwhile,

Yours sincerely,

DEWAN'S OFFICE 19?? Sri 350

For perusal
DEV SG
W/C
Co. 1/8

...OND MEMBER ... COUNCIL, 18 AUG. 1938 No. 1108

Colonel R. N. Chopra, C.I.E., M.A., M.D., K.H.P., I.M.S.,
Director, Calcutta School of Tropical Medicine,
Central Avenue,
CALCUTTA.

For perusal
18.8.38
20/8/38

Dated, 20th April 1939.

D.O. No. 444 — 6 d enc 1 draft prospectus.

With reference to our discussion at the last meeting of the Industrial & Testing Laboratory, I learn that the question of the formation of a Company for the Pharmaceuticals has been allowed to lie over. I have, therefore, obtained the old file and I am sending enclosed a draft prospectus taken out of the file and suitably revised. I request the favour of your kindly letting me know whether I may press the scheme as in this prospectus on the attention of the Government.

The prospectus may kindly be returned with your suggestions for revision.

1. S.G. Sastry, Esq., M.Sc., F.C.S.
   Director of S.O.F., Mysore.
2. Sastravaidyapravina Dr.S.Subba Rao, B.A., M.B.C.M.etc.
   Retd. Senior Surgeon in Mysore, Bangalore.
3. Rajasevasakta Dr. B.K. Narayana Rao, B.A., M.B.C.M.etc.
   Senior Surgeon in Mysore, Bangalore.

Office copy.

PROSPECTUS OF THE MYSORE MEDICINAL PRODUCTS, LTD.

**

1. The Mysore Medicinal Products, Ltd., has been formed for the objects specified in the Memorandum of Association and in particular to grow indigenous drugs and manufacture pharmaceuticals.

2. The importance of growing indigenous medicinal herbs and plants and the manufacture of standard medicines and their distribution at as low a price as possible cannot be over-rated, especially in a country like India. The Drugs Inquiry Committee have, in their report, indicated the vast scope for expansion that exists in this field.

3. The most important recommendations by the Committee regarding the drug industry have been (1) the adoption of uniform excise regulations throughout India (2) the enactment of a drug Adulteration Act and (3) encouragement of the cultivation of medicinal plants and herbs in India and the manufacture of standard medicines on a much larger scale.

4. It may be confidently expected that the enactment of suitable legislation for control of adulterated drugs and the removal of inter-provincial excise barriers by the adoption of a uniform excise policy throughout India will receive greater attention in the near future and the time is opportune for starting the manufacture on a large scale of pure standard medicines to meet the growing demand.

5. During recent years there has been considerable expansion in the demand for medicinal products and active attempts are being made in Northern and Central India to

to meet the growing needs of the country with the expansion in the activities of the several long-standing Indian manufacturing concerns.

6. In Southern India, however, there are no large manufacturing concerns at present which can adequately meet the rising demand in this part of the country. The Government of Mysore who have always been keenly alive to the possibilities in this direction have already started a pharmaceutical concern though working at present on a comparatively small scale, but, with the facilities available, it can serve as a nucleus for a big factory of the size contemplated. There is the additional advantage that the company to be started can commence production immediately without the usual time-lag before production can commence in most cases.

7. Mysore State abounds in a variety of climatic and soil conditions offering excellent facilities for cultivation of several medicinal plants. The Baba Budan Hills are traditionally reputed to be a great store house of medicinal plants. During the last two Mysore Dasara and Industrial exhibitions, the Forest Department of the Government of Mysore had arranged to collect and display a large number of indigenous plants of value in allopathic and Ayurvedic medicines. The Department has also, for some years, been attempting to grow cinchona on the Bababudan Hills in the Kadur District and Biligiriranga Hills in the Mysore District.

8. As is well known, Bangalore has a salubrious climate and with both broad and metre gauge connections, offers great facilities as manufacturing and distributing centre for the whole of South India. The existence of the Indian Institute of Science, various Government

Government laboratories and a number of large well-equipped State hospitals will afford great facilities for supplementing research and clinical trials.

Note:- The latest administration report is attached.

9. A big chemical concern has recently been floated in Mysore for manufacturing a number of heavy chemicals and another subsidiary concern for the manufacture of fine chemicals in common demand is expected to be formed shortly. These two concerns will be in a position to manufacture and supply on suitable terms a good share of the raw materials required for the manufacture of the medicinal products.

10. The Government of Mysore will afford the following facilities for rapidly developing the industry within the State and to ensure its success:

(a) They will subscribe 60 per cent of the share capital which will be adjusted from the value of buildings, plants and machinery and stock-in-trade valued at ~~Rs.2.5~~ lakhs (roughly) which they have already invested in the Mysore Medicinal Products. No charge is made for lands or good-will.

~~Note~~ (A large spacious building now used as Sandal Koti ~~with its extensive compound can also be transferred, if necessary. A plan is attached.~~

(b) Government lands will be given to the company free of cost, ~~if available~~, and private lands will be acquired at the cost of the Company under the Land Acquisition Act for the cultivation of drugs.)

(c) They will allow the free use of water from Lalkey's Reservoir. Filtered water can be supplied at favourable rates.

(d) They will obtain all their requirements of drugs and pharmaceuticals from the Company provided price and quality are satisfactory. Their present purchases are valued at Rs.2.5 lakhs a year ~~but a portion will~~ necessarily have to be imported for sometime. The demand, ~~however, is steadily~~ growing.

11. The capital of the Company is Rs.25,00,000 distributed as follows:

Capital expenditure is estimated at Rs.12½ lakhs distributed as follows:

1.	Manufacturing plant and equipment	Rs. 7.00 lakhs
2.	Laboratory equipment including pharmacological laboratories.	1.50 "
3.	Factory buildings, including lands	2.50 "
4.	Farm houses and agricultural implements for the cultivation of drugs.	1.75 "
5.	Sundries - workshop etc.	0.75 "

The balance of Rs.12½ lakhs will be available for the working expenditure.

12. When the factory reaches the stage of full production, it is estimated that after providing for all expenses and general and depreciation reserve it will be possible to declare a dividend of about 10% on the capital invested. ~~(vide note attached, for a rough forecast).~~

13. The management of the Company will rest with a Board of Directors consisting of not more than 7 members of whom 4 including the Chairman will be nominated by the Government of Mysore. The appointment of the Secretary and the Manager of the Factory will be made by the Board subject to the approval of Government.

14. The qualification of a Director other than those nominated by Government shall be the holding of 500 shares in the Company of the nominal value of Rs.5,000. The sitting fee of the Directors ~~including the Government director~~ shall be a sum not exceeding Rs.25 ~~lak~~ each and in the case of the Chairman a sum not exceeding Rs.30 for every meeting of the Board or Committee attended by them. Their travelling and out-of-pocket expenses will be met by the Company.

15. None of the Directors has any interest in the promotion of the Company except to the extent indicated in 10.a) above.

16. The capital of the Company will be Rs.25 lakhs divided into 250,000 shares of Rs.10 each; of this, Rs.2 will be paid with the application, Rs.2 on allotment and the balance in 3 calls of Rs.2 each at intervals of not less than 3 months between each call.

17. Preliminary expenses payable by the Company excluding brokerage, is estimated at Rs.10,000.

18. A brokerage not exceeding 2 per cent will be allowed to Banks or recognised brokers in respect of shares allotted on applications submitted by them.

19. A copy of the Company's Memorandum of Association is attached to this Prospectus.

20. Minimum subscription on which the Directors may proceed to allotment is ₹20% of the capital of ten lakhs of rupees otherwise open for private subscn

***

MYSORE MEDICINAL PRODUCTS, LTD., BANGALORE.

Capital. Rs.25 lakhs divided into 250,000 shares of Rs.10/-each

Distribution. Capital expenditure .. Rs.12,50,000/-

Working capital .. " 12,50,000/-

Details of Capital expenditure:

a) Machinery & equipment ..	Rs.	7,00,000/-
b) Laboratory equipment including pharmacological laboratory. .	"	1,50,000/-
c) Factory buildings etc.	"	2,50,000/-
d) Sundries & workshop equipment. ..	"	75,000/-
e) Farm houses and agricultural implements. ..	"	1,75,000/-
Total ..	Rs.	12,50,000/-

Cost of manufacture. Rough distribution.

a) Raw materials and production charges including power, steam and other process requirements.	Rs. 8,50,000/-
b) Provision for Research.	" 1,00,000/-
c) Excise duty	" 2,50,000/-
Factory establishment & labour: about Rs.15,000/- a month or Rs.1,80,000/- a year.say	2,00,000/-
Depreciation on fixed assets of 12½ lakhs at 8%.	1,00,000/-
Provision for cultivation of drugs.	1,00,000/-
Trade & overhead charges including agents commission, propaganda, etc., at 35% on sales return.	10,50,000/-
Total.	Rs.26,50,000/-

Production and Sales;

a) Official Spirituous and non-spirituous preparations, and preparations from indigenous drugs and ayurvedic products.	Rs. 7,00,000/-
b) Proprietories.	" 7,00,000/-
c) Tablet products ...	" 4,50,000/-
d) Biological products including Sera and Vaccines. ...	" 4,50,000/-
e) Fine Chemicals & Alkaloids ...	" 2,00,000/-
f) Infant and Invalid foods ...	" 2,00,000/-

g) Essential oils and related products	Rs. 1,00,000/-
h) Sale of cultivated drugs ...	* 2,00,000/-
Total ...	Rs.30,00,000/-
Estimated sales	Rs.30,00,000/-
Total nett expenditure	Rs.26,50,000/-
General Reserve	Rs. 1,00,000/-
Nett returns available for dividend. ...	Rs. 2,50,000/-

MYSORE MEDICAL DEPARTMENT.

RAJASEVASAKTHA
B. R. NARAYANA RAO, Esq.,
B.A., M.B.C.M., M.R.C.S. (ENG.),
L.R.C.P., D.P.H., D.O. (OXON.).

Telephone :—**No. 2462.**

OFFICE OF THE SENIOR SURGEON IN MYSORE,

Camp, Mysore
~~Bangalore~~, *dated* ....22nd...April.....193 9

D. O. No. U.C. - 633

Enc. one file of 7 Pages.

DEAR Mr. Ramanathan,

I agree generally with the proposals made in the draft prospectus.

Two points require more elucidation and scrutiny

(1) the idea of promoting cultivation of medicinal plants
and
(2) manufacture of sera.

I expect these will be thrashed out before decisions are arrived at.

I return the papers.

Thanking you,

Yours sincerely,

B. R. Narayana Rao
22/4

Rajasevaprasaktha
A.V.Ramanathan Esqr., B.A.,
Chairman,
Mysore Iron and Steel Works,
Public Offices,
Bangalore

SASTRA VAIDYA PRAVINA.
DR. S. SUBBA RAO,
B.A., M.B., M.R.C.S.

113 VISVESVARAPURAM
BANGALORE CITY

Date 8 May 1937.

Dear Mr Ramanathan

I am returning herewith the draft prospectus after perusal. I think the total Capital may be fixed lower than 25 lakhs. Perhaps about 15 lakhs would be sufficient. The draft may be considered at the next meeting of Board of D.T.L.

Yours Sincerely

S. Subba Rao

Tel. Address: "SANDAL" MYSORE.
Telephone No. 362

GOVERNMENT OF MYSORE.

M. S. G. SASTRY, B.A., M.Sc. (Lond.),
Director.

No. D.O.1/37-38
Encls. prospectus.

Office of the Director,
Sandalwood Oil Factory, Mysore.

Dated 5th May, 1939.

Dear Sir,

Ref:- Your D.O.No.444-6 dated 20th April 1939.

Sub.- Converting the Industrial and Testing Laboratory into a Joint Stock Company.

The scheme on the files involving a Capital of Twenty-five lakhs was prepared and sent to Col. Chopra for an expression of his views. Col.Chopra had contemplated the starting, with Mysore Government help, a bigger concern with a Capital of Fifty lakhs. Dr. S. Subba Rao and myself visited Calcutta and Baroda and made a study of the development of the Pharmaceutical industry in India. We had also detailed discussions with Col.Chopra. We were of opinion that instead of trying to usher in a big factory, it would be prudent to go on building up step by step the present Industrial & Testing Laboratory. That is what is being done now. The Twenty-five lakhs seheme itself was not pursued further.

2. I think the big scheme involving Twenty-five lakhs of rupees takes too optimistic a view of the situation and I think also that competative conditions existing in the market have not been fully taken into consideration.

3. If it is a question of the manufacture and sale of ordinary British Pharmacopoea, Extra Pharmacopoea and B.P. Codex preparations, we can only command a limited market in South India on account of the existence of other manufacturers:

a) Madras Government have their own manufactory

at Madras. This institution supplies all the ordinary medicines and drugs to the Government hospitals in the Presidency and also medical institutions under the control of District Boards.

b) The Travancore Tincture Factory under the Managing Agency of Messrs. Parry & Co. is developing into a bigger concern and they will be operating in the South Indian markets.

c) The Andhra Pharmaceutical Works have commenced to manufacture ordinary drugs and are actively competing in South Indian markets.

d) Mr. T. Ramachandra Rao in Madras and the Mysore Pharmaceuticals (1935),Ltd. -- both have commenced to manufacture drugs in a small way, but none-the-less effective way.

e) The Nizam's Government have commenced the manufacture of tinctures and it is their idea to expand this concern into a regular factory. They have deputed one of their Senior Chemists to tour all-over-Europe to collect technical information.

In addition to the above, we shall have to remember that 3 or 4 firms from Calcutta, one from Baroda and several from foreign countries will also be actively competing against us in the market. From the above it will be seen that we shall have to meet very severe competition in South India.

Now-a-days Pharmaceutical works do not depend for their profits on Pharmacopoea preparations only. An up-to-date firm manufactures a number of metallic salts, organo-metallic Compounds, biological preparations (Sera and Vaccines) of standard specifications. Each firm will also have patented specialities of its own. It is these proprietory articles, manufactured on a mass-production scale that will yield profits. Proper pharmacological tests are to be made before such products are placed on the market. The variety and number of such special products will generally determine the size of the factory. Our own Industrial & Testing Laboratory is manufacturing some proprietory articles and so far as the sales to the public are concerned, it is only these special lines that are giving us a chance in the open market. Their sales are gradually going up. Recently

proposals have been submitted to Government for extending these special lines by the addition of a Liver Extract preparation and the manufacture of tablets for Hypodermic injections and also the manufacture of Ampoules.

I feel diffident at this stage to recommend any scheme which involves a capital of Twenty-five lakhs of rupees. My present views are as follows:-

In view of the impending legislation for the control of the manufacture and sale of drugs and medicines in India, I am definitely in favour of expanding the activities of the Industrial and Testing Laboratory and I am also definitely in favour of converting it into a Joint Stock Company. When legislation comes into force, a number of factories who are now manufacturing spurious and adultrated products will go out of existence and that will be our opportunity. I would recommend a Concern involving a capital of Ten lakhs of rupees: 60 per cent of the capital being subscribed by the Government of Mysore. Out of Six lakhs of rupees to be subscribed by Government, the value of the land, building and equipment of the Industrial & Testing Laboratory and also of the Serum Institute (the scheme contemplates the amalgamation of the Serum Institute in the new factory) will amount to at least Three lakhs of rupees. The balance of Three lakhs of rupees will have to be paid in cash.

The public will have an opportunity to subscribe for Four lakhs of rupees worth of shares. Out of Seven lakhs of rupees which we shall get, we shall have to set apart Four lakhs of rupees for new equipment and buildings and keep the balance of Three lakhs as Working Capital. The annual turn-over, I expect, would be at least Ten lakhs of rupees and we may hope to get a return of

of at least Ten per cent on the investment.

The above is a rough idea I have in my mind and before we can proceed further we shall have to definitely decide as to what new products we are going to manufacture and what equipment is necessary for it and such other details.

If we decide to convert the Industrial & Testing Laboratory into a Joint Stock Company, one of the very first things we ought to do, without any delay whatsoever, will be to depute one chemist and one doctor to foreign countries for study. While they are abroad collecting information, we should go ahead with local works.

There was also an idea that the Management of the present Mysore Government Medical Stores may be entrusted to the new company that is going to be formed. This will not materially alter the scheme in any manner except in so far as it provides one more activity.

Yours Sincerely
S Bose

Rajasevaprasakta
A.V.Ramanathan, Esq., B.A.,
Chairman, The Mysore Iron & Steel
Works,etc., Public Offices,
Bangalore.

HSV.

MYSORE MEDICAL DEPARTMENT.

RAJASEVASAKTA
B. K. NARAYANA RAO, Esq.,
B.A., M.B.C.M., M.R.C.S. (Eng.),
D.P.H., D.O. (Oxon.).

Telephone :—No. 2462
Telegrams :—Senorgen.

OFFICE OF THE SENIOR SURGEON IN MYSORE,

Bangalore, dated ...22nd May.....193 9 .

D. O. No. C 4216-1

Enc. 1 file sent seperately.

DEAR Mr. Ramanathan,

Herewith I am returning with thanks the file regarding Industrial and Testing Laboratory ~~with thanks~~.

I had a discussion with Dr. S. Subba Rao and he also agrees on the following:-

1. The idea of a drug plants farm not being taken up by the Company at all or at least not for some years to come. Other agencies like the Agricultural Department etc., may be encouraged to produce the required supply.

2. Manufacture of Biological products not being included for some years (sera, vaccines, etc.).

3. Capital to be reduced to not more than Rs. 15 lakhs (preferably not more than 12½ lakhs) by omitting 1 and 2 and reducing other figures.

4. If the idea of formation of a Company commends itself to Government- not to delay too long as similar concerns are getting a strong foothold here and producing "vested interests".

Yours sincerely,

B K Narayana Rao

Rajasevaprasakta
A. V. Ramanathan, Esq., B. A.,
Chairman, Mysore Iron & Steel Works, etc.,
Public Offices, Bangalore.

Yours sincerely,

Professor Hugh Dickson,
Botanical Laboratory,
Notting Hill.

Herewith I am returning the slip containing specimens of
Pterygium vexted laciniate.

a. If the tree commences to flower not more than
one year (preferably not more than two years) after
planting, should be cut back to within 10 ft. of
the ground.

b. Judging to be second to none in the tree (Pyrus
communis) etc.

c. Irregularities of physiological nature not being insurmountable
by pruning etc., may be encouraged
to produce the required effect.

d. The tree of a very plants does not occur to me by the
Botany at all or at least not quite as I are to some. (When
growing in the Botanical Department etc., may be encouraged

I had a discussion with Dr. Jones (no end he also agree on
the following:-

a. The tree of a very plants does not occur to me by the
Botany at all or at least not quite as I are to some. (When

Bangalore,
Dated, 15th May 1939

D.O. No. 480.
Enc. one file - (Sent per separate packet)

My dear Dr. Narayana Rao,

With reference to my conversation with you this morning, I send herewith the file relating to the conversion of the Industrial & Testing Laboratory Pharmaceutical Section into a private Limited Liability Company. The replies received from Mr. S.G. Sastry and Shastravaidyapravina Dr. S. Subba Rao, are also in the file. It will facilitate early action if you can kindly discuss the Prospectus with Dr. Subba Rao and send me a revised ~~copy~~ prospectus limiting the capital to Rs. 10 lakhs as intimated by you this morning.

Yours sincerely,

Rajasevasakta
Dr. B.K. Narayana Rao, B.A., M.B.C.M., etc.,
Senior Surgeon with the Govt. of Mysore,
Bangalore.

AVR:KS)

Rajasevaprasakta
A. V. RAMANATHAN,
CHAIRMAN,
Mysore Iron & Steel Works, etc.

PUBLIC OFFICES,
BANGALORE.

Dated, 22nd May, 1939.

D.O. No. 483
Enc. as per file papers.

Dear Mr. Krishna

I send herewith a draft Prospectus prepared some time ago in connection with the conversion of the Pharmaceutical Section of the Industrial & Testing Laboratory into a Limited Liability Company, together with the correspondence that I have had with the Director of Sandalwood Oil Factory, the Senior Surgeon and Shastravaidya Pravina Dr. S. Subba Rao, and also a letter dated 22nd May 1939 from the Senior Surgeon giving me the final views of Dr. Subba Rao and himself. I shall be glad if you will kindly prepare a revised statement of capital and operation details (see the last 2 pages of the draft Prospectus), in accordance with the views expressed in the Senior Surgeon's letter of the 22nd May 1939. The capital may be fixed at Rs. 10 lakhs.

23/5/39

Kindly attend to this personally and keep it ready on Thursday the 25th instant, when I shall visit the Laboratory.

Submitted with a revised estimate.

Yours sincerely,
A. V. Ramanathan

B.H. Krishna, Esq., M.A.C., A.I.C.,
Chief Chemist in charge of
I & T Laboratory, Bangalore.

24/5/39

Working Data

Capital: Rs 10 lakhs divided into 1,00,000 shares of Rs 10/- each.

Distribution: Capital expenditure ... Rs 6,00,000/-

Working capital ... " 4,00,000/-

Distribution

Details of Capital Expenditure:

a) Machinery and equipment (including Laboratory apparatus & equipment).	Rs 3,50,000/-	
(This is expected to include the capital assets of Industrial & Testing Laboratory amounting to about a lakh of rupees less about Rs 25,000/- representing the depreciation).		
b) Factory, Laboratory and Office buildings, (It is assumed that lands are obtained free, and the existing buildings valued by P.W.D. at about Rs 50,000/- are handed over to the new concern with modifications necessary to obtain a better layout of manufactory for economic operation and further development).	" 2,50,000/-	
		Rs 6,00,000/-

Cost of manufacture: Rough distribution.

a) Raw materials and production accessories, including power and steam.	Rs 2,80,000/-	
b) Excise duty on spirit	" 50,000/-	
c) Establishment & Labour	" 60,000/-	
d) Depreciation on machinery and buildings @ 7½% on an average on a capital of Rs 6,00,000/-.	" 45,000/-	
e) Miscellaneous charges - including Repairs and renewals, contingencies pension and provident fund contribution to workers, taxes etc.	" 20,000/-	
		"
Total Manufacturing cost		" 4,55,000/-

Revenue from Sales:

a) Official spirituous and non-spirituous preparations.	" 2,50,000/-

B.F.	Rs 2,50,000/-		
b) Proprietory products	" 3,00,000/-		
c) Ampoules & Tablet products.	" 1,25,000/-		
d) Alkaloids and other fine chemicals.	" 1,25,000/-		
e) Miscellaneous products including infant and invalid foods, essential oils etc.	" 50,000/-		
	8,50,000/-		
Total gross revenue from sales			Rs 8,50,000/-
Less manufacturing cost	" 4,55,000/-		
Trade expenses @ 35% on gross sale of 8½ lakh	" 2,97,500/-		" 7,52,000/-
Nett Profit ...		...	97,500/-

This works out at 9¾% on the capital of 10 lakhs of rupees.

27/5

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Rs 6,00,000/-

Cost of manufacture: Rough distribution.

a) Raw materials and production accessories, including power and steam. Rs 2,80,000/-

b) Excise duty on spirit " 50,000/-

c) Establishment & Labour " 60,000/-

d) Depreciation on machinery and buildings @ 7½% on an average on a capital of Rs 6,00,000/-. " 45,000/-

e) Miscellaneous charges - including Repairs and renewals, contingencies pension and provident fund contribution to workers, taxes etc. " 20,000/-

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Total Manufacturing cost " 4,55,000/-

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B-F.		2,50,000/-	
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Corrected Copy of
Previous prospectus

PROSPECTUS OF MYSORE MEDICINAL PRODUCTS, LTD.

**

Retyped
Ks. 1/6/39.

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2. The importance of ~~growing indigenous medicinal herbs and plants and~~ the manufacture of standard medicines and their distribution at as low a price as possible cannot be over-rated, especially in a country like India. The Drugs Enquiry Committee have, in their report, indicated the vast scope for expansion that exists in this field.

3. The most important recommendations by the Committee regarding the drug industry have been (1) the adoption of uniform excise regulations throughout India (2) the enactment of a Drug Adulteration Act and (3) encouragement of the cultivation of medicinal plants and herbs in India and the manufacture of standard medicines on a much larger scale.

4. It may be confidently expected that the enactment of suitable legislation for control of adulterated drugs and the removal of inter-provincial excise barriers by the adoption of a uniform excise policy throughout India will receive greater attention in the near future and the time is opportune for starting the manufacture on a large scale of pure standard medicines to meet the growing demand.

5. During recent years there has been considerable expansion in the demand for medicinal products and active attempts are being made in Northern and Central India to

to meet the growing needs of the country with the expansion in the activities of the several long-standing Indian manufacturing concerns.

6. In Southern India, however, there are no large manufacturing concerns at present which can adequately meet the rising demand in this part of the country. The Government of Mysore who have always been keenly alive to the possibilities in this direction have already started a pharmaceutical concern though working at present on a comparatively small scale, but, with the facilities available, it can serve as a nucleus for a big factory of the size contemplated. There is the additional advantage that the company to be started can command production immediately without the usual time-lag before production can commence in most cases.

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8. As is well known, Bangalore has a salubrious climate and with both broad and metre gauge connections, offers great facilities as manufacturing and distributing centre for the whole of South India. The existence of the Indian Institute of Science, various Government

Government laboratories and a number of large well-equipped State hospitals will afford great facilities for supplementing research and clinical trials.

~~Note: The latest administration report is attached.~~

9. A big chemical factory ~~concern has recently been floated~~ in Mysore for manufacturing a number of heavy chemicals in Mysore ~~is coming~~ will shortly be in operation and another ~~subsidiary~~ concern for the manufacture of fine chemicals in common demand ~~is expected to be formed~~ ~~shortly~~. These two concerns will be in a position to manufacture and supply on suitable terms a good share of the raw materials required for the manufacture of the medicinal products.

10. The Government of Mysore will afford the following facilities for rapidly developing the industry within the State and to ensure its success.

(a) They will subscribe 60 per cent. of the subscribed share capital which will be adjusted from the value of buildings, plants and machinery and stock-in-trade valued at Rs.2.5 lakhs (roughly) which they have already invested in the Mysore Medicinal Products. No charge is made for lands or good-will.

~~Note: A large spacious building now used as Gandai Koti with its extensive compound can also be transferred, if necessary. A plan is attached.~~

(b) Government lands will be given to the company free of cost, if available, and private lands will be acquired at the cost of the Company under the Land Acquisition Act ~~for the cultivation of drugs.~~

(c) They will allow the free use of water from Sankey's Reservoir. Filtered water can be supplied at favourable rates.

(d) They will obtain all their requirements of drugs and pharmaceuticals from the Company provided price and quality are satisfactory. ~~Their present purchases are valued at Rs.2.5 lakhs a year but a portion will necessarily have to be imported for sometime. The demand, however, is steadily growing.~~

11. The capital of the Company is Rs. ~~25~~ 10,00,000 distributed as follows:

Capital expenditure is estimated at Rs. ~~12~~ 6 lakhs distributed as follows:

1. Manufacturing plant and equipment Rs. ~~3.00~~ 3.50 lakhs
2. ~~Laboratory equipment including pharmacological laboratories. 1.50 "~~
3. Factory buildings, including lands 2.50 "
4. ~~Farm houses and agricultural implements for the cultivation of drugs. 1.75 "~~
5. ~~Sundries, workshop etc. 0.75 "~~

The balance of Rs. ~~1.25~~ 4 lakhs will be available for the working expenditure.

12. When the factory reaches the stage of full production, it is estimated that after providing for all expenses and general and depreciation reserve it will be possible to declare a dividend of about 10% on the capital invested. (vide note attached, for a rough forecast).

13. The management of the Company will rest with a Board of Directors consisting of not more than 9 members of whom 5 including the Chairman and Managing Director will be nominated by the Government of Mysore. The appointment of the Secretary and the General Manager of the Factory will be made by the Board subject to the approval of Government.

14. The qualification of a Director other than those nominated by Government shall be the holding of 500 shares in the Company of the nominal value of Rs.5,000. The sitting fee of the Directors including the Government Director shall be a sum not exceeding Rs.25 ~~xxx~~ each and in the case of the Chairman a sum not exceeding Rs.30 for every meeting of the Board or Committee attended by them. Their travelling and out-of-pocket expenses will be met by the Company.

15. None of the Directors has any interest in the promotion of the Company except to the extent indicated in 10(a) above.

16. The capital of the Company will be Rs. ~~25~~ 10 lakhs divided into ~~250~~ 20,000 shares of Rs.10 each; of this, Rs.2 will be paid with the application, Rs.2 on allotment and the balance in 3 calls of Rs.2 each at intervals of not less than 3 months between each call.

17. Preliminary expenses payable by the Company excluding brokerage, is estimated at Rs.10,000.

18. A brokerage not exceeding 2 per cent will be allowed to Banks or recognised brokers in respect of shares allotted on applications submitted by them.

19. A copy of the Company's Memorandum of Association is attached to this Prospectus.

20. Minimum subscription on which the Directors may proceed to allotment is 60% of the capital ~~there~~ open for public subscription

Draft Statement submitted

MYSORE MEDICINAL PRODUCTS, LTD., BANGALORE.

Capital. Rs.25 lakhs divided into 250,000 shares of Rs.10/-each

Distribution: Capital expenditure .. Rs.12,50,000/-

Working capital .. " 12,50,000/-

Details of Capital Expenditure:

a) Machinery & equipment ..	Rs. 7,00,000/-	
b) Laboratory equipment including pharmacological laboratory. ..	" 1,50,000/-	
c) Factory buildings etc.	" 2,50,000/-	
d) Sundries & workshop equipment. ..	" 75,000/-	
e) Farm houses and agricultural implements. ..	" 1,75,000/-	
Total ..	Rs.12,50,000/-	

Cost of manufacture. Rough distribution.

a) Raw materials and production charges including power, steam and other process requirements.	Rs. 8,50,000/-
b) Provision for Research.	" 1,00,000/-
c) Excise duty	" 2,50,000/-
Factory Establishment & Labour: about Rs.15,000/- a month or Rs.1,80,000/- a year.say	2,00,000/-
Depreciation on fixed assets of 12½ lakhs at 8%.	1,00,000/-
Provision for cultivation of drugs.	1,00,000/-
Trade & overhead charges including agents commission, propaganda, etc., at 35% on sales return.	10,50,000/-
Roral.	Rs.26,50,000/-

Production and Sales;

a) Official Spirituous and non-spirituous preparations, and preparations from indigeneous drugs and ayurvedic products.		Rs. 7,00,000/-
b) Proprietories.	...	" 7,00,000/-
c) Tablet products	...	" 4,50,000/-
d) Biological products including Sera and Vaccines.	...	" 4,50,000/-
e) Fine Chemicals & Alkaloids	...	" 2,00,000/-
f) Infant and Invalid foods	...	" 2,00,000/-

g) Essential oils and related products	Rs. 1,00,000/-
h) Sale of cultivated drugs ...	" 2,00,000/-
Total ...	Rs.30,00,000/-
Estimated sales	Rs.30,00,000/-
Total nett expenditure	Rs.26,50,000/-
General Reserve	Rs. 1,00,000/-
Nett returns available for dividend. ...	Rs. 2,50,000/-

I enclose the covering letter from Director of Industries & Commerce, Mysore, dated 20th May 1939 and shall go through the papers and return them shortly.

D.O. No. 483.
Enc. 1 file of papers.

Dated, 22nd May, 1939.

Dear Mr. Krishna,

I send herewith a draft Prospectus prepared some time ago in connection with the conversion of the Pharmaceutical Section of the Industrial & Testing Laboratory into a Limited Liability Company, together with the correspondence that I have had with the Director of Sandalwood Oil Factory, the Senior Surgeon and Shastravaidya Pravina Dr. S. Subba Rao, and also a letter dated 22nd May 1939 from the Senior Surgeon giving me the final views of Dr. Subba Rao and himself. I shall be glad if you will kindly prepare a revised statement of capital and operation details (see the last 2 pages of the draft Prospectus), ~~In accordance~~ with the views expressed in the Senior Surgeon's letter of the 22nd May 1939, the capital may be fixed at Rs. 10 lakhs.

Kindly attend to this personally and keep it ready on Thursday the 25th instant, when I shall visit the Laboratory.

Yours sincerely,

B.H. Krishna, Esq., M.A.C., A.I.C.,
Chief Chemist in charge of
I & T Laboratory, Bangalore.

Rajasevaprasakta
A. V. RAMANATHAN,
CHAIRMAN,
Mysore Iron & Steel Works, etc.

PUBLIC OFFICES,
BANGALORE.

Dated, 20th April 1939.

D.O. No. 444-6
Enc. one draft prospectus.

My dear Dr Subba Rao,

With reference to our discussion at the last meeting of the Industrial & Testing Laboratory, I learn that the question of the formation of a Company for the Pharmaceuticals has been allowed to lie over. I have, therefore, obtained the old file and I am sending enclosed a draft prospectus taken out of the file and suitably revised.. I request the favour of your kindly letting me know whether I may press the scheme as in this prospectus on the attention of the Government.

The prospectus may kindly be returned with your suggestions for revision.

Yours Sincerely
A V Ramanathan

Shastravaidyapravina
Dr. S. Subba Rao, B.A., M.B.C.M., etc.
Retired Senior Surgeon in Mysore,
Bangalore.

PROSPECTUS OF THE MYSORE MEDICINAL PRODUCTS, LTD.

***

1. The Mysore Medicinal Products, Ltd., has been formed for the objects specified in the Memorandum of Association and in particular to grow indigenous drugs and manufacture pharmaceuticals.

2. The importance of growing indigenous medicinal herbs and plants and the manufacture of standard medicines and their distribution at as low a price as possible cannot be over-rated, especially in a country like India. The Drugs Enquiry Committee have, in their report, indicated the vast scope for expansion that exists in this field.

3. The most important recommendations by the Committee regarding the drug industry have been (1) the adoption of uniform excise regulations throughout India (2) the enactment of a Drug Adulteration Act and (3) encouragement of the cultivation of medicinal plants and herbs in India and the manufacture of standard medicines on a much larger scale.

4. It may be confidently expected that the enactment of suitable legislation for control of adulterated drugs and the removal of inter-provincial excise barriers by the adoption of a uniform excise policy throughout India will receive greater attention in the near future and the time is opportune for starting the manufacture on a large scale of pure standard medicines to meet the growing demand.

5. During recent years there has been considerable expansion in the demand for medicinal products and active attempts are being made in Northern and Central India to

to meet the growing needs of the country with the expansion in the activities of the several long-standing Indian manufacturing concerns.

6. In Southern India, however, there are no large manufacturing concerns at present which can adequately meet the risin demand in this part of the country. The Government of Mysore who have always been keenly alive to the possibilities in this direction have already started a pharmaceutical concern though working at present on a comparatively small scale, but, with the facilities available, it can serve as a nucleus for a big factory of the size contemplated. There is the additional advantage that the company to be started can commence production immediately without the usual time-lag before production can commence in most cases.

7. Mysore State abounds in a variety of climatic and soil conditions offering excellent facilities for cultivation of several medicinal plants. The Baba Budan Hills are traditionally reputed to be a great store house of medicinal plants. During the last two Mysore Dasara and Industrial Exhibitions, the Forest Department of the Government of Mysore had arranged to collect and display a large number of indigenous plants of value in allopathic and Ayurvedic medicines. The Department has also, for some years, been attempting to grow cinchona on the Bababudan Hills in the Kadur District and Biligiriranyan Hills in the Mysore District.

8. As is well known, Bangalore has a salubrious climate and with both broad and metre gauge connections, offers great facilities as manufacturing and distributing centre for the whole of South India. The existence of the Indian Institute of Science, various Government

Government laboratories and a number of large well-equipped State hospitals will afford great facilities for supplementing research and clinical trials.

~~Note - The latest administration report is attached~~.

9. A big chemical concern has recently been floated in Mysore for manufacturing a number of heavy chemicals and another subsidiary concern for the manufacture of fine chemicals in common demand is expected to be formed shortly. These two concerns will be in a position to manufacture and supply on suitable terms a good share of the raw materials required for the manufacture of the medicinal products.

10. The Government of Mysore will afford the following facilities for rapidly developing the industry within the State and to ensure its success:

(a) They will subscribe 60 per cent of the share capital, which will be adjusted ~~from~~ the value of buildings, plants and machinery and stock-in-trade valued at ~~Rs. 6~~ lakhs (roughly) which they have already invested in the Mysore Medicinal Products. No charge is made for lands or good-will.

~~Note~~ A large spacious building now used as Sandal Koti ~~with its extensive compound can also be transferred, if necessary. A plan is attached~~.

(b) Government lands will be given to the company free of cost, ~~if available~~, and private lands will be acquired at the cost of the Company under the Land Acquisition Act for the cultivation of drugs.

(c) They will allow the free use of water from Sankey's Reservoir. Filtered water ~~can~~ will be supplied at favourable rates.

(d) They will obtain all their requirements of drugs and pharmaceuticals from the Company provided price and quality are satisfactory. Their present purchases are valued at Rs.2.5 lakhs a year ~~but a portion will necessarily have to be imported for some time. The demand, however, is steadily growing.~~

11. The capital of the Company is Rs.25,00,000 distributed as follows:

Capital expenditure is estimated at Rs.12½ lakhs distributed as follows:

1. Manufacturing plant and equipment	Rs. 7.00	lakhs
2. Laboratory equipment including pharmacological laboratories.	1.50	"
3. Factory buildings, including lands	2.50	"
4. Farm houses and agricultural implements for the cultivation of drugs.	1.75	"
5. Sundries & workshop etc.	0.75	"

The balance of Rs.12½ lakhs will be available for ~~the~~ working expenditure.

12. It is estimated that When the factory reaches the stage of full production, ~~it is estimated that~~ after providing for all expenses and general and depreciation reserve it will be possible to declare a dividend of about 10% on the capital invested. ~~(vide note attached, for a rough forecast).~~

13. The management of the Company will rest with a Board of Directors consisting of not more than 7 members of whom 4 including the Chairman will be nominated by the Government of Mysore. The appointment of the Secretary and the Manager of the Factory will be made by the Board subject to the approval of Government.

14. The qualification of a Director other than those nominated by Government shall be the holding of 500 shares in the Company of the nominal value of Rs.5,000. The sitting fee of the Dircetors ~~including the Government Director~~ shall be a sum not exceeding Rs.25 ~~lak~~ each and in the case of the Chairman a sum not exceeding Rs.30 for every meeting of the Board or Committee attended by them. Their travelling and out-of-pocket expenses will be met by the Company.

15. None of the Directors has any interest in the promotion of the Company except to the extent indicated in 10(a) above.

16. The capital of the Company will be Rs.25 lakhs divided into 250,000 shares of Rs.10 each; of this, Rs.2 will be paid with the application, Rs.2 on allotment and the balance in 3 calls of Rs.2 each at intervals of not less than 3 months between each call.

17. Preliminary expenses payable by the Company excluding brokerage, is estimated at Rs.10,000.

18. A brokerage not exceeding ½ per cent will be allowed to Banks or recognised brokers in respect of shares allotted on applications submitted by them.

19. A copy of the Company's Memorandum of Association is attached to this Prospectus.

20. Minimum subscription on which the Directors may proceed to allotment is 50% of the capital of Rs 10 lakhs

terms open for private subs^ns.

MYSORE MEDICINAL PRODUCTS, LTD., BANGALORE.

Capital: Rs.25 lakhs divided into 250,000 shares of Rs.10/-each

Distribution: Capital expenditure .. Rs.12,50,000/-

Working capital .. " 12,50,000/-

Details of Capital expenditure:

a) Machinery & equipment ..	Rs.	7,00,000/-
b) Laboratory equipment including pharmacological Laboratory. ..	"	1,50,000/-
c) Factory buildings etc.	"	2,50,000/-
d) Sundries & Workshop equipment. ..	"	75,000/-
e) Farm houses and agricultural implements. ..	"	1,75,000/-
Total ..	Rs.	12,50,000/-

Cost of manufacture. Rough distribution.

a) Raw materials and production charges including power, steam and other process requirements.	Rs.	8,50,000/-
b) Provision for Research.	"	1,00,000/-
c) Excise duty	"	2,50,000/-
Factory establishment & labour: about Rs.15,000/- a month or Rs.1,80,000/- a year.say		2,00,000/-
Depreciation on fixed assets of 12½ lakhs at 8%.		1,00,000/-
Provision for cultivation of drugs.		1,00,000/-
Trade & overhead charges including agents commission, propaganda, etc., at 35% on sales return.		10,50,000/-
Roral.	Rs.	26,50,000/-

Production and Sales;

a) Official Spirituous and non-spirituous preparations, and preparations from indigenous drugs and ayurvedic products.	Rs.	7,00,000/-
b) Proprietories. ...	"	7,00,000/-
c) Tablet products ...	"	4,50,000/-
d) Biological products including Sera and Vaccines. ...	"	4,50,000/-
e) Fine Chemicals & Alkaloids ...	"	2,00,000/-
f) Infant and Invalid foods ...	"	2,00,000/-

g) Essential oils and related products	Rs. 1,00,000/-
h) Sale of cultivated drugs ...	" 2,00,000/-
Total ...	Rs.30,00,000/-
Estimated sales	Rs.30,00,000/-
Total nett expenditure	Rs.26,50,000/-
General Reserve	Rs. 1,00,000/-
Nett returns available for dividend. ...	Rs. 2,50,000/-

PROSPECTUS OF THE MYSORE MEDICINAL PRODUCTS, Ltd.

1. The Mysore Medicinal Products, Ltd., has been formed for the objects specified in the Memorandum of Association and in particular to ~~manufacture~~ grow and manufacture drugs and pharmaceuticals.

2. The importance of growing indigenous medicinal herbs and plants and the manufacture of standard medicines and their distribution at as low a price as possible cannot be over-rated, especially in a country like India. The Drugs Enquiry Committee have, in their report, indicated the vast scope for expansion that exists in this field.

3. The most important recommendations by the Committee regarding the drug industry have been (1) the adoption of uniform excise regulations throughout India (2) the enactment of a Drug Adulteration Act, and (3) encouragement of the cultivation of medicinal plants and herbs in India and the manufacture of standard medicines on a much larger scale.

4. It may be confidently expected that the enactment of suitable legislation for control of adulterated drugs and the removal of inter-provincial Excise barriers by the adoption of a uniform excise policy throughout India will receive greater attention in the near future and the time is opportune for starting the manufacture on a large scale of pure standard medicines to meet the growing demand.

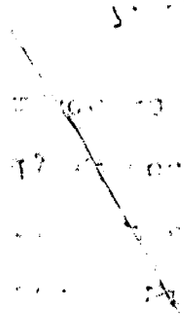
5. During recent years there has been considerable expansion in the demand for medicinal products and active attempts are being made in Northern and Central India to meet the growing needs of the -

country with the expansion in the activities of the several long-standing Indian manufacturing concerns.

6. In Southern India, however, there are no large manufacturing concerns at present which can adequately meet the rising demand in this part of the country. The Government of Mysore who have always been keenly alive to the possibilities in this direction have already started a pharmaceutical concern though working at present on a comparatively small scale but with the facilities available, it can serve as a nucleus for a big factory of the size contemplated. There is the additional advantage that the company to be started can commence production immediately without the usual time-lag before production can commence in most cases.

7. Mysore State abounds in a variety of climatic and soil conditions offering excellent facilities for cultivation of several medicinal plants. The Baba Budan Hills are traditionally reputed to be a great store house of medicinal plants. During the last two Mysore Dasara and Industrial Exhibitions, the Forest Department of the Government of Mysore had arranged to collect and display a large number of indigenous plants of value in allopathic or Ayurvedic medicines. The Department has also for some years been attempting to grow cinchona on the Bababudan Hills in the Kadur District and Biligirirangan Hills in the Mysore District.

8. As is well known, Bangalore has a salubrious climate and with both broad and metre gauge connections, offers great facilities as manufacturing and distributing centre for the whole of South India.



The existence of the Indian Institute of Science, various Government laboratories and a number of large well-equipped State hospitals will afford great facilities for supplementing research and clinical trials.

Note- The lastest administration report is attached.

9. A big chemical concern has recently been floated in Mysore for manufacturing a number of heavy - chemicals and another subsidiary concern for the manufacture of fine chemicals in common demand is expected to be formed shortly. These two concerns will be in a position to manufacture and supply on suitable terms a good share of the raw materials required for the manufacture of the medicinal products.

10. Government of Mysore will afford the following facilities for rapidly developing the industry within the State and to ensure its success:

(a) They will subscribe ~~20~~ 10 per cent of the share capital which will ~~include~~ be adjusted for the value of buildings, plants and machinery and stock-in-trade valued at Rs.2.5 lakhs (roughly) which they have already invested in the Mysore Medicinal Products. No charge is made for lands or good-will.

Note- A large spacious building now used as Sandal Koti with its extensive compound can also be transferred, if necessary. A plan is attached.

(b) Government lands will be given to the company free of cost, if available, and private lands will be acquired at the cost of the Company under the Land Acquisition ~~Regulation~~ Act for the cultivation of drugs.

(c) They will allow the free use of water from Sankey's Reservoir. Filtered water can be supplied

at favourable rates.

(d) They will obtain all their requirements of drugs and pharmaceuticals from the Company provided price and quality are satisfactory. Their present purchases are valued at Rs.2.5 lakhs a year but a portion will necessarily have to be imported for sometime. The demand, however, is steadily growing.

11. The capital of the Company is Rs.25,00,000 distributed as follows:

Capital expenditure is estimated at Rs.12½ lakhs distributed as follows:

1. Manufacturing plant and equipment	Rs. 7.00	lakhs
2. Laboratory equipment including pharmacological laboratories	" 1.50	"
3. Factory buildings, including lands	" 2.50	"
4. Farm houses and agricultural implements for the cultivation of drugs ...	" 1.75	"
5. Sundries & workshop etc.	" .75	"

The balance of Rs.12½ lakhs will be available for the working expenditure.

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13. The management of the Company will rest with a Board of Directors consisting of not more than 9 members of whom 3 including the Chairman will be nominated by the Government of Mysore. The appointment of the Secretary and the Manager of the Factory will be made by the Board subject to the approval of Government.

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15. None of the Directors has any interest in the promotion of the Company except to the extent indicated in 10 (a) above.

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MYSORE MEDICINAL PRODUCTS,LTD., BANGALORE.

Capital: Rs. 25 lakhs divided into 250.000 shares of Rs.10/- each.

Distribution: Capital expenditure - Rs. 12,50,000/-

Working capital - " 12,50,000/-

Details of Capital Expenditure:

a) Machinery & equipment -	Rs.	7,00,000/-
b) Laboratory equipment including pharmacological Laboratory -	Rs.	1,50,000/-
c) Factory buildings etc.	Rs.	2,50,000/-
d) Sundries & Workshop equipment	Rs.	75,000/-
e) Farm houses and agricultural implements	"	1,75,000/-
Total	Rs.	12,50,000/-

Cost of manufacture. Rough distribution.

a) Raw materials and production charges including power, steam and other process requirements.	Rs.	8,50,000/-
b) Provision for Research.		1,00,000/-
c) Excise duty		2,50,000/-
Factory Establishment & Labour: about Rs.15,000/- a month or Rs.1,80,000/- a year.	say	2,00,000/-
Depreciation on fixed assets of 12½ lakhs at 8%.		1,00,000/-
Provision for cultivation of drugs.		1,00,000/-
Trade & overhead charges including agents commission, propaganda, etc., at 35% on sales return.		10,50,000/-
Total	Rs.	26,50,000/-

Production and Sales:

a) Official Spiritous and non-spirituous preparations, and preparations from indigenous drugs and ayurvedic products.	Rs.	7,00,000/-

B/F.	...	Rs.7,00,000/-
b) Proprietories ...	...	7,00,000/-
c) Tablet products ...	...	4,50,000/-
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e) Fine Chemicals & Alkaloids	...	2,00,000/-
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h) Sale of cultivated drugs	...	2,00,000/-
	Total	Rs.30,00,000/-

Estimated sales	...	Rs.30,00,000/-
Total nett expenditure	...	26,50,000/-
General Reserve	...	1,00,000/-
Nett returns available for dividend.	... Rs.	2,50,000/-

PROSPECTUS OF THE MYSORE MEDICINAL PRODUCTS, LTD.

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Government laboratories and a number of large well-equipped State hospitals will afford great facilities for supplementing research and clinical trials.

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(a) They will subscribe 10 per cent of the share capital which will be adjusted from the value of buildings, plants and machinery and stock-in-trade valued at Rs.2.5 lakhs (roughly) which they have already invested in the Mysore Medicinal Products. No charge is made for lands or good-will.

Note- A large spacious building now used as Sandal Koti with its extensive compound can also be transferred, if necessary. A plan is attached.

(b) Government lands will be given to the company free of cost, if available, and private lands will be acquired at the cost of the Company under the Land Acquisition Act for the cultivation of drugs.

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(d) They will obtain all their requirements of drugs and pharmaceuticals from the Company provided price and quality are satisfactory. Their present purchases are valued at Rs.2.5 lakhs a year but a portion will necessarily have to be imported for some-time. The demand, however, is steadily growing.

11. The capital of the Company is Rs.25,00,000 distributed as follows:

Capital expenditure is estimated at Rs.12½ lakhs distributed as follows:

1.	Manufacturing plant and equipment	Rs. 7.00 lakhs
2.	Laboratory equipment including pharmacological laboratories.	1.50 "
3.	Factory buildings, including lands	2.50 "
4.	Farm houses and agricultural implements for the cultivation of drugs.	1.75 "
5.	Sundries & workshop etc.	0.75 "

The balance of Rs.12½ lakhs will be available for the working expenditure.

12. When the factory reaches the stage of full production, it is estimated that after providing for all expenses and general and depreciation reserve it will be possible to declare a dividend of about 10% on the capital invested. (vide note attached, for a rough forecast).

13. The management of the Company will rest with a Board of Directors consisting of not more than 9 members of whom 3 including the Chairman will be nominated by the Government of Mysore. The appointment of the Secretary and the Manager of the Factory will be made by the Board subject to the approval of Government.

14. The qualification of a Director other than those nominated by Government shall be the holding of 500 shares in the Company of the nominal value of Rs.5,000. The sitting fee of the Directors including the Government Director shall be a sum not exceeding Rs.25 ~~xxx~~ each and in the case of the Chairman a sum not exceeding Rs.30 for every meeting of the Board or Committee attended by them. Their travelling and out-of-pocket expenses will be met by the Company.

15. None of the Directors has any interest in the promotion of the Company except to the extent indicated in 10(a) above.

16. The capital of the Company will be Rs.25 lakhs divided into 250,000 shares of Rs.10 each; of this, Rs.2 will be paid with the application, Rs.2 on allotment and the balance in 3 calls of Rs.2 each at intervals of not less than 3 months between each call.

17. Preliminary expenses payable by the Company excluding brokerage, is estimated at Rs.10,000.

18. A brokerage not exceeding ½ per cent will be allowed to Banks or recognised brokers in respect of shares allotted on applications submitted by them.

19. A copy of the Company's Memorandum of Association is attached to this Prospectus.

20. Minimum subscription on which the Directors may proceed to allotment is 60% of the capital.

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MYSORE MEDICINAL PRODUCTS, LTD., BANGALORE.

Capital: Rs.25 lakhs divided into 250,000 shares of Rs.10/-each

Distribution: Capital expenditure .. Rs.12,50,000/-

Working capital .. " 12,50,000/-

Details of Capital Expenditure:

a) Machinery & equipment ..	Rs.	7,00,000/-
b) Laboratory equipment including pharmacological Laboratory. ..	"	1,50,000/-
c) Factory buildings etc.	"	2,50,000/-
d) Sundries & Workshop equipment. ..	"	75,000/-
e) Farm houses and agricultural implements. ..	"	1,75,000/-
Total ..	Rs.	12,50,000/-

Cost of manufacture. Rough distribution.

a) Raw materials and production charges including power, steam and other process requirements.	Rs.	8,50,000/-
b) Provision for Research.	"	1,00,000/-
c) Excise duty	"	2,50,000/-
Factory Establishment & Labour: about Rs.15,000/- a month or Rs.1,80,000/- a year.say		2,00,000/-
Depreciation on fixed assets of 12½ lakhs at 8%.		1,00,000/-
Provision for cultivation of drugs.		1,00,000/-
Trade & overhead charges including agents commission, propaganda, etc., at 35% on sales return.		10,50,000/-
Roral.	Rs.	26,50,000/-

Production and Sales;

a) Official Spirituous and non-spirituous preparations, and preparations from indigeneous drugs and ayurvedic products.	Rs.	7,00,000/-
b) Proprietories. ...	"	7,00,000/-
c) Tablet products ...	"	4,50,000/-
d) Biological products including Sera and Vaccines. ...	"	4,50,000/-
e) Fine Chemicals & Alkaloids ...	"	2,00,000/-
f) Infant and Invalid foods ...	"	2,00,000/-

g) Essential oils and related products	Rs. 1,00,000/-
h) Sale of cultivated drugs ...	" 2,00,000/-
Total ...	Rs.30,00,000/-
Estimates sales	Rs.30,00,000/-
Total nett expenditure	Rs.26,50,000/-
General Reserve	Rs. 1,00,000/-
Nett returns available for dividend. ...	Rs. 2,50,000/-

PROSPECTUS OF THE MYSORE MEDICINAL PRODUCTS, LTD.

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3. The most important recommendations by the Committee regarding the drug industry have been (1) the adoption of uniform excise regulations throughout India, (2) the enactment of a Drug Adulteration Act, and (3) encouragement of the cultivation of medicinal plants and herbs in India and the manufacture of standard medicines on a much larger scale.

4. It may be confidently expected that the enactment of suitable legislation for control of adulterated drugs and the removal of inter-provincial Excise barriers by the adoption of a uniform excise policy throughout India will receive greater attention in the near future and the time is opportune for starting the manufacture on a large scale of pure standard medicines to meet the growing demand.

5. During recent years there has been considerable expansion in the demand for medicinal products and active attempts are being made in Northern and Central India to meet the growing needs of the country with the expansion in the activities of the several long-standing Indian manufacturing concerns.

6. In Southern India, however, there are no large manufacturing concerns at present which can adequately meet the

the rising demand in this part of the country. The Government of Mysore who have always been keenly as alive to the possibilities in this direction have already started a pharmaceutical concern though working at present on a comparatively small scale, but, with the facilities available, it can serve as a nucleus for a big factory of the size contemplated. There is the additional advantage that the company to be started can commence production immediately without the usual time-lag before production can commence in most cases.

7. Mysore State abounds in a variety of climatic and soil conditions offering excellent facilities for cultivation of several medicinal plants. The Baba Budan Hills are traditionally reputed to be a great store house of medicinal plants. During the last two Mysore Dasara and Industrial Exhibitions, the Forest Department of the Government of Mysore had arranged to collect and display a large number of indigenous plants of value in allopathic and Ayurvedic medicines. The Department has also, for some years, been attempting to grow cinchona on the Bababudan Hills in the Kadur District and Biligirirangan Hills in the Mysore District.

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common demand has also commenced work. These two concerns will be in a position to manufacture and supply on suitable terms a good share of the raw materials required for the manufacture of the medicinal products.

10. The Government of Mysore will afford the following facilities for rapidly developing the industry within the State and to ensure its success.

(a) They will subscribe 60 per cent of the subscribed share capital which will be adjusted in part from the value of buildings, plants and machinery and stock-in-trade valued at Rs.2.5 lakhs (roughly) which they have already invested in the Mysore Medicinal Products. No charge is made for lands or good-will.

(b) Government lands will be given to the company free of cost, if available, and private lands will be acquired at the cost of the company under the Land Ax Acquisition Act.

(c) They will allow the free use of water from Sankey's Reservoir. Filtered water can be supplied at favourable rates.

(d) They will obtain all their requirements of drugs and pharmaceuticals from the Company provided price and quality are satisfactory.

11. The capital of the Company is Rs.10,00,000/- distributed as follows:-

Capital expenditure is estimated at Rs.12½ lakhs distributed as follows:-

1. Manufacturing plant and equipment .. Rs.3.50 lakhs.

2. Factory buildings, including lands .. " 2.50 "

The balance of Rs.6 lakhs will be available for the working expenditure.

12. When the factory reaches the stage of full production, it is estimated that after providing for all expenses and general and depreciation reserve it will be possible to declare a dividend of about 9 7/8 on the capital invested. (Vide note attached, for a rough forecast).

13. The management of the Company will rest with a Board of Directors consisting of not more than 9 members of whom 5 including the Chairman and Managing Director will be nominated by the Government of Mysore. The appointment of the Secretary and the General Manager of the Factory will be made by the Board subject to the approval of Government.

14. The qualification of a Director other than those nominated by Government shall be the holding of 500 shares in the Company of the nominal value of Rs.5,000/-. The sitting fee of the Directors including the Government Director shall be a sum not exceeding Rs.25 each and in the case of the Chairman a sum not exceeding Rs.30 for every meeting of the Board or Committee attended by them. Their travelling and out-of-pocket expenses will be met by the Company.

15. None of the Directors has any interest in the promotion of the Company except to the extent indicated in 10(a) above.

16. The capital of the Company will be Rs.10 lakhs divided into 100,000 shares of Rs.10 each; of this, Rs.2 will be paid with the application, Rs.2 on allotment and the balance in 3 calls of Rs3 each, at intervals of not less than 3 months between each call.

17. Preliminary expenses payable by the Company excluding brokerage, is estimated at Rs.10,000/-.

18. A brokerage not exceeding ½ per cent will be allowed to Banks or recognised brokers in respect of shares allotted on applications submitted by them.

19. A copy of the Company's Memorandum of Association is attached to this Prospectus.

20. Minimum subscription on which the Directors may proceed to allotment is 60 per cent of the capital thrown open for public subscription.

WORKING DATA

Capital: Rs.10 lakhs divided into 1,00,000 shares of Rs.10 each.

Distribution: Capital expenditure .. Rs.6,00,000/-

Working capital .. " 4,00,000/-

Distribution of Capital expenditure:

a) Machinery and equipment (including Laboratory apparatus & equipment) Rs.3,50,000/-

(This is expected to include the capital assets of Industrial & Testing Laboratory amounting to about a lakh of rupees, less about Rs.25,000/- representing the depreciation).

b) Factory, Laboratory and Office buildings. (It is assumed that lands are obtained free, and the existing buildings valued by P.W.D., at about Rs.50,000/- are handed over to the new concern with modifications necessary to obtain a better layout of manufactory for economic operation and further development). " 2,50,000/-

Rs.6,00,000/-

Cost of manufacture: Rough distribution.

a) Raw materials and production accessories, including power and steam .. Rs 2,80,000/-

b) Excise duty on spirit " 50,000/-

c) Establishment & Labour " 60,000/-

d) Depreciation on machinery and buildings @ 7½% on an average on a capital of Rs.6,00,000/-. " 45,000/-

e) Miscellaneous charges - including repairs and renewals, contingencies, pension and provident fund contribution to workers, taxes etc. " 20,000/-

Total manufacturing cost Rs. 4,55,000/-

Revenue from Sales:

a) Official spirituous and non-spirituous preparations ..	Rs.2,50,000/-	
b) Proprietory products	" 3,00,000/-	
c) Ampoules & Tablet products ..	" 1,25,000/-	
d) Alkaloids and other fine chemicals ..	" 1,25,000/-	
e) Miscellaneous products including infant and invalid foods, essential oils, etc.	" 50,000/-	
	Rs.6,50,000/-	
Total gross revenue from sales ..		Rs.6,50,000/-
Less manufacturing cost ..	Rs.4,55,000/-	
Trade expenses @ 35% on gross sale of 6½ lakhs ..	" 2,97,500/-	" 7,52,000/-
Nett Profit ..		Rs. 97,500/-

This works out at 9¾ per cent on the capital of 10 lakhs of rupees.

1/6

PROSPECTUS OF THE MYSORE MEDICINAL PRODUCTS, LTD.

1. The Mysore Medicinal Products, Ltd., has been formed for the objects specified in the Memorandum of Association and in particular to manufacture pharmaceuticals.

2. The importance of the manufacture of standard medicines and their distribution at as low a price as possible cannot be over-rated, especially in a country like India. The Drugs Enquiry Committee have, in their Report, indicated the vast scope for efficacies that exists in this field.

3. The most important recommendations by the Committee regarding the drug industry have been (1) the adoption of uniform drugs legislation throughout India, (2) the enactment of a Drug Control Act, and (3) encouragement of the manufacture of medicinal plants and herbs in India and the manufacture of pure drugs and medicines on a much larger scale.

4. It may be confidently expected that the enactment of suitable legislation for control of adulterated drugs and the removal of inter-provincial Excise barriers by the adoption of a uniform excise policy throughout India will receive greater attention in the near future and the time is opportune for starting the manufacture on a large scale of pure standard medicines to meet the growing demand.

5. During recent years there has been considerable expansion in the demand for medicinal products and active attempts are being made in Northern and Central India to meet the growing needs of the country with the expansion in the activities of the several long-standing Indian manufacturing concerns.

6. In Southern India, however, there are no large manufacturing concerns at present which can adequately meet the

the rising demand in this part of the country. The Government of Mysore who have always been keenly on alive to the possibilities in this direction have already started a pharmaceutical concern though working at present on a comparatively small scale, but, with the facilities available, it can serve as a nucleus for a big factory of the size contemplated. Here is the additional advantage that the company to be started can commence production immediately without the usual time-lag before production can commence in most cases.

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cotton demand has also encouraged work. Those two concerns will be in a position to manufacture and supply on suitable terms a good share of the raw materials required for the manufacture of the additional products.

10. The Government of Mysore will afford the following facilities for rapidly developing the industry within the State and to ensure its success.

(a) They will subscribe 60 per cent of the subscribed share capital which will be adjusted in part from the value of buildings, plants and machinery and stock-in-trade valued at Rs.8.8 lakhs (roughly) which they have already invested in the Mysore Chemicals Products. No charge is made for lands or good-will.

(b) Government lands will be given to the company free of cost, if available, and private lands will be acquired at the cost of the company under the Land Acquisition Act.

(c) They will allow the free use of water from Sankey's Reservoir. Filtered water can be supplied at favourable rates.

(d) They will obtain all their requirements of drugs and pharmaceuticals from the Company provided price and quality are satisfactory.

11. The capital of the Company is Rs.10,00,000/- distributed as follows:-

Capital expenditure is estimated at Rs.12½ lakhs distributed as follows:-

1. Manufacturing plant and equipment .. Rs.3.50 lakhs.
2. Factory buildings, including lands .. " 8.50 "

The balance of Rs.6 lakhs will be available for the working expenditure.

12. When the factory reaches the stage of full production, it is estimated that after providing for all expenses and general and depreciation reserve it will be possible to declare a dividend of about 9% on the capital invested. (Vide note attached, for a rough forecast).

15. The management of the Company will rest with a Board of Directors consisting of not more than 9 members of whom 5 including the Chairman and Managing Director will be nominated by the Government of Mysore. The appointment of the Secretary and the General Manager of the Factory will be made by the Board subject to the approval of Government.

16. The qualification of a Director other than those nominated by Government shall be the holding of 500 shares in the Company of the nominal value of Rs.5,000/-. The sitting fee of the Directors including the Government Director shall be a sum not exceeding Rs.25 each and in the case of the Chairman a sum not exceeding Rs.30 for every meeting of the Board or Committee attended by them. Their travelling and out-of-pocket expenses will be met by the Company.

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WORKING DATA.

Capital: Rs.10 lakhs divided into 1,00,000 shares of Rs.10 each.

Distribution: Capital expenditure .. Rs.6,00,000/-

Working capital .. " 4,00,000/-

Distribution of Capital expenditure:

a) Machinery and equipment (including Laboratory apparatus & equipment) (This is expected to include the capital assets of Industrial & Testing Laboratory amounting to about a lakh of rupees, less about Rs.25,000/- representing the depreciation).	Rs.3,50,000/-	
b) Factory, Laboratory and Office buildings. (It is assumed that lands are obtained free, and the existing buildings valued by P.W.D., at about Rs.50,000/- are handed over to the new concern with modifications necessary to obtain a better layout of manufactory for economic operation and further development).	" 2,50,000/-	
		Rs.6,00,000/-

Cost of manufacture: Rough distribution.

a) Raw materials and production accessories, including power and steam ..	Rs 2,80,000/-	
b) Excise duty on spirit	" 50,000/-	
c) Establishment & Labour	" 60,000/-	
d) Depreciation on machinery and buildings @ 7½% on an average on a capital of Rs.6,00,000/-.	" 45,000/-	
e) Miscellaneous charges - including repairs and renewals, contingencies, pension and provident fund contribution to workers, taxes etc.	" 20,000/-	
Total manufacturing cost		Rs. 4,55,000/-

Revenue from Sales:

a) Official spirituous and non-spirituous preparations ..	Rs. 2,50,000/-		
b) Proprietory products	" 3,00,000/-		
c) Ampoules & Tablet products ..	" 1,25,000/-		
d) Alkaloids and other fine chemicals ..	" 1,25,000/-		
e) Miscellaneous products including infant and invalid foods, essential oils, etc.	" 50,000/-		
	Rs. 8,50,000/-		
Total gross revenue from sales ..			Rs. 8,50,000/-
Less manufacturing cost ..	Rs. 4,55,000/-		
Trade expenses @ 35% on gross sale of 8½ lakhs ..	" 2,97,500/-		
			" 7,52,000/-
Nett Profit ..	..		Rs. 97,500/-

This works out at 9¾ per cent on the capital of 10 lakhs of rupees.

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2. Factory buildings, including lands .. " 2.50 "

The balance of Rs.4 lakhs will be available for the working expenditure.

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Working capital .. " 4,00,000/-

Distribution of Capital expenditure:

a) Machinery and equipment (including Laboratory apparatus & equipment) Rs.3,50,000/-

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Rs.6,00,000/-

Cost of manufacture: Rough distribution.

a) Raw materials and production essentials, including power and steam .. Rs 3,00,000/-

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c) Establishment & Labour " 60,000/-

d) Depreciation on machinery and buildings @ 7½% on an average on a capital of Rs.6,00,000/-. " 45,000/-

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Total manufacturing cost Rs. 4,55,000/-

Revenue from Salon:

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c) Ampoules & Tablet products ..	" 1,25,000/-	
d) Alkaloids and other fine chemicals ..	" 1,25,000/-	
e) Miscellaneous products including import and invalid fees, confidential bills, etc.	" 50,000/-	
	Rs.9,00,000/-	
Total gross revenue from sales ..		Rs.9,50,000/-
Less manufacturing cost ..	Rs.6,55,000/-	
Trade expenses @ 35% on gross sale of 25 lakhs ..	" 2,07,500/-	" 7,55,000/-
Nett Profit		Rs. 97,500/-

This works out at 39 per cent on the capital of 10 lakhs of rupees.

1/6

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16. The capital of the Company will be Rs.10 lakhs divided into 100,000 shares of Rs.10 each; of this, Rs.2 will be paid with the application, Rs.2 on allotment and the balance in 3 calls of Rs2 each, at intervals of not less than 3 months between each call.

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WORKING DATA.

Capital: Rs.10 lakhs divided into 1,00,000 shares of Rs.10 each.

Distribution: Capital expenditure ..		Rs.6,00,000/-
Working capital ..		" 4,00,000/-

Distribution of Capital expenditure:

a) Machinery and equipment (including Laboratory apparatus & equipment)	Rs.3,50,000/-	
(This is expected to include the capital assets of Industrial & Testing Laboratory amounting to about a lakh of rupees, less about Rs.25,000/- representing the depreciation).		
b) Factory, Laboratory and Office buildings. (It is assumed that lands are obtained free, and the existing buildings valued by P.W.D., at about Rs.50,000/- are handed over to the new concern with modifications necessary to obtain a better layout of manufactory for economic operation and further development).	" 2,50,000/-	
		Rs.6,00,000/-

Cost of manufacture: Rough distribution.

a) Raw materials and production accessories, including power and steam ..	Rs 2,80,000/-	
b) Excise duty on spirit	" 50,000/-	
c) Establishment & Labour	" 60,000/-	
d) Depreciation on machinery and buildings @ 7½% on an average on a capital of Rs.6,00,000/-.	" 45,000/-	
e) Miscellaneous charges - including repairs and renewals, contingencies, pension and provident fund contribution to workers, taxes etc.	" 20,000/-	
Total manufacturing cost		Rs. 4,55,000/-

Revenue from Sales:

a) Official spirituous and non-spirituous preparations ..	Rs.2,50,000/-	
b) Proprietory products	" 3,00,000/-	
c) Ampoules & Tablet products ..	" 1,25,000/-	
d) Alkaloids and other fine chemicals ..	" 1,25,000/-	
e) Miscellaneous products including infant and invalid foods, essential oils, etc.	" 50,000/-	
	Rs.8,50,000/-	
Total gross revenue from sales ..		Rs.8,50,000/-
Less manufacturing cost ..	Rs.4,55,000/-	
Trade expenses @ 35% on gross sale of 8½ lakhs ..	" 2,97,500/-	
		" 7,52,000/-
Nett Profit ..	..	Rs. 97,500/-

This works out at 9¾ per cent on the capital of 10 lakhs of rupees.

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of Income.

This works out at 0% per cent on t e t t l o